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The Nation's Business

Election Finds Political Line-Ups Confused
Budget Popularity Counted on by Liberals
Debt Refunding

CONFUSION IN POLITICS

AN ELECTION this summer will be no aid to business. It will divert energies from the job of reviving our flagging trade and business. But since the election is to be held, business men must make the best of it. Mr. King has brought on the election at a time when political groups in Canada are very much confused, with Liberals stealing Conservative policies; with Conservative governments in the provinces vying in the introduction of radical measures; with third parties practically in ruins. Prior to the budget, an election seemed a sure invitation to defeat for the King administration. The budget has so fluttered the political dovecots that prophecies may well meet their traditional definition of the most gratuitous form of error. And more than ever, deep-running streams of religious controversy will influence the course of events.

If there are any dovecots at Ottawa, they are now lying about in ruins—and this goes for Liberal almost as much as for Conservative, U. F. A., Progressive and other political parties.

The unanswered question concerning the budget is this: "Is it protectionist?" Not a few stout low-tariff Liberal stalwarts would give much to be certain that the answer is in the negative. As for the independents, they, frankly, regard Mr. Dunning's fiscal policy as the last word in political cynicism. They believe that the budget is a good strong protectionist pill, heavily coated with British preference sugar for prairie consumption.

* * *

AS FOR the Conservatives, they understand how Disraeli felt after that astute budgeteer, Gladstone, had brought down a budget containing most of the Tory platform. Mr. Disraeli expressed himself by saying that the "Grand Old Man" had caught the Tories in bathing and had stolen their clothes. Years of labor spent in advocating causes which long ago seemed lost but which, of late, have suddenly revived, are now made futile. All the eloquence which Conservatives have expended in defending the dairy farmer from imports of butter from New Zealand; the fruit farmer from dumped goods from California; the vegetable growers from the produce of southern states . . . all these protracted efforts have suddenly been neutralized by a budget in which New Zealand butter is to be shut out and fruit and vegetables subjected to high tariff imposts. And imports of iron and steel from the United States, of which Mr. Bennett spoke without fail whenever he got on a public platform, are now to be restricted radically.

Some line of cleavage between the two parties on the present budget may emerge when the Conservative party has had time to study the tariff changes in detail and to find the weak spots. But at the moment nobody seems to know what the opposition's line of election attack will be, with the possible exception of the countervailing duties. It is urged by Mr. Bennett that countervailing duties, which fluctuate according to the tariff provisions of other countries, are a sort of made-in-Washington, or -Paris, or -Berlin policy. That may be the Conservative's line of attack; it is the only one which has been advanced as yet.

* * *

DEBT PLAN FORECAST

MR. DUNNING in his budget speech gave consideration to an argument constantly advanced in The Financial Post, encompassing some action for a permanent debt retirement plan. It was stated in these columns a couple of weeks ago that Mr. Dunning could hardly be expected to announce a definite debt retirement plan, but the hope was voiced that he would at least give assurance that consideration was being given to such a plan. In his budget speech he states that "Careful consideration is now being given to the best methods of spreading maturity dates of refunding loans and also to the desirability of broadening the application of the sinking fund principle so that when these major refinancing operations are undertaken, the requirements of this decade as well as the possible problems of the future will be met in a sound and comprehensive manner."

The need for such a systematic debt retirement plan is seen in the announcement made by the minister that in the fiscal year 1929 to 1930, $78,500,000 of Dominion debt was retired. It is doubtful if Canada can afford to retire this much of its debt in any single year. It would have been better to have retired $50,000,000 and to have taken the balance for some reduction in the income tax. As has been repeatedly stated in these columns, it is just as bad for business to retire too much debt in one year as to retire too little.

Dominion Coal Collieries Are All on Operating Basis

From Our Own Correspondent

MONTREAL.—For the first time this year all the collieries of Dominion Coal Company were operating during the first week of May. It is expected that by the middle of the month a steady programme will have been mapped out.

The coal re-screening plant at Sydney has been put into operation again, after lying idle since the close of navigation last year. The steam shovel at the Sydney coal bank has also gone into operation and it is expected will be operated fairly steadily from now on.

TARIFF HELPS; CAN. MALTING LURES BUYERS

Stock Stronger as Budget Appears to End U.S. Competition

YIELDS 8 PER CENT

Plea to Ottawa Based on Assistance Industry is to Canadian Grower of Barley

Ever since the budget speech Canada Malting common stock appears to be under steady accumulation at rising prices. Its low point for the year has been 15, and just before Thursday last it was quoted at 17, but by Tuesday it was selling at 18½ and 19, and all because item 167 increases the duty against malt on the general tariff from 45 cents a cwt. to 75 cents a cwt.

Last year when the level of prices for Canadian grain was maintained above United States levels this gave United States malting companies an advantage in cheap purchases which enabled them to sell more in Canada than usual.

Yield is High

In spite of that, Canada Malting common has maintained its dividends at $1.50 a share where at current levels its yield is between 7.5 and 8 per cent. It is the hope of expanding business under tariff protection which has induced present buying. The fact that dividends will pay carrying charges on stock held on margin has not been overlooked.

In the year ended August 31, 1929, the company earned $437,924, equal to $2.20 a share as compared with $1.94 a share in the preceding 13 months.

The company's plants have a total malting capacity of 5,000,000 bushels and a total elevator storage of 3,200,000 bushels. The new Toronto plant has only been in operation since April, 1929, and it is hoped that under the new conditions its earning power will be increased.

Seems Out of Line

The total book value shown behind the shares is $27.91, and the market valuations shown in recent years have been as follows:

	High	Low
1930	19	15
1929	34½	11¼
1928	43½	26½

The company sells 90 per cent of its malt product to the brewing and distilling industries and to manufacturers of malt extracts. It also exports to South America and to Central America. The domestic market is yearly becoming more important and the increase in the consumption of beer in recent years has increased the demand for malt.

The proximity to the large consuming centres of Canada of Buffalo, Cincinnati and Milwaukee, which once were large brewing centres and which since prohibition have continued the manufacture of malt makes Canada a desirable market. Great Britain has been given a lower tariff but the distance and the freight differential is regarded as sufficient protection. The lower prices for grain in the United States have also caused larger exports to Canada of barley.

In asking for an increase in duty at the end of 1928, Canada Malting Company stated that it supplied annually about 25,000 bushels of barley malt to the manufacturers in Canada of malt extract and extract powder, that it purchased from Canadian farmers between 4,000,000 and 5,000,000 bushels of barley a year for malting purposes, paying a premium of three or four cents over the prices paid by competitors in the United States because malting barley must be grown from a pure strain of seed and be carefully farmed.

Patriotism Proves Fly In Paramount Ointment

Famous Players Canadian Shareholders Express Opposition to Proposed Deal With U. S. Company

Though Ottawa has many other troubles of its own at present, evidence accumulates that the powers that be have turned an interested eye on the offer by Paramount of four shares for five shares of Famous Players.

That any action will be taken to prevent control of Canada's moving picture industry moving bodily over to the United States is by no means apparent, but the growing feeling that foreign domination in such an important field is by no means in the national interest has caused certain semi-official enquiries as to what can be done about it.

Shareholders Not Pleased

Shareholders by scores have already indicated their feeling that the offer is by no means adequate and, strangely enough, the patriotic angle seems in most cases to be even more of an irritant than the fact that the offer does not seem to them adequate. Paramount officers are reported to be weighing the strength of the adverse sentiments awakened by the offer, and some think that the offer will either be withdrawn or the offer raised to a share for share basis.

Ray Lewis in The Canadian Moving Picture Digest, does not seem to expect withdrawal.

In the second issue dealing at length with the proposals for changing control, she points out that the earnings on shares of Famous Players Canadian Corp. are of secondary importance to Paramount as the company gets about $2,000,000 annually in film rentals from the Canadian company, that with control this return might be multiplied and Paramount do well even if dividends on stock should cease.

Famous Players Might Earn More

Aside from the national interest, he believes that Paramount's huge stake in securing the control of filmdom in Canada places the company in a bargaining position where the shareholders should be treated much better than they have been. The Canadian company, as an independent company, however, stands to earn more and do better with independence in choice of pictures from Paramount or any other source that can offer worth-while pictures.

Arthur W. Roebuck argues in a second statement prepared for the benefit of shareholders that the progress of the past under Canadian control is an earnest of what may be expected in the future. He points out that originally the common stock of Famous Players had no market value, and that in 1927 after a four for one split the 320,000 shares outstanding were selling for $30 a share while British Gaumont had in 1929 indicated its willingness to buy at $75 a share. From 1927 to 1929 the Canadian Co. added 60,000 shares to its issued capital stock, making 380,000 shares outstanding, while the American company in the same time increased the outstanding shares from less than 800,000 shares to 3,000,000 shares.

Grain, Dominant Business Factor, Covered in Special Supplement

Grain has been the chief subject of business discussion in Canada for over a year. Business has risen and fallen on wheat. Wheat this year has affected the farmer, the merchant, the stockbroker, the banker, the locomotive engineer, the workman—every Canadian, in fact. Wheat has always been an influence on the prosperity of each one of us. But this year it has been a more insistent, obvious influence than ordinarily. We have all been conscious of wheat and conscious that it can have its irritations as well as its benefits. Every business man has become something of an agricultural economist, groping for the true facts on wheat.

Never before has there been such a need for authentic understanding of wheat and its relation to Canada's prosperity.

The Third Annual Grain Supplement of The Financial Post, published with this issue, provides a background of authoritative and exceedingly interesting information on many aspects of the grain situation in Canada. Every business man and investor will want to study this supplement and read thoroughly every article in it.

Attention is directed in particular to the leading article, which summarizes the world's grain situation and Canada's place in it, in comprehensive fashion. The wheat pool, our export markets, the operations of grain exchanges and the private grain interests are all thoroughly discussed in this article. It makes a forecast as to Canada's wheat future and outlines the policies that this country should pursue to regain and hold its former dominant position in wheat and wheat export.

Other articles deal with the work of commodity exchanges; with the functions and operations of grain elevators; with the milling industry; with the mechanization of western farms, etc., etc.

Players Voting Trust Has Rendered Impotent Board of Directors

Three Trustees Govern, With I. W. Killam Holding Balance of Power

The voting trust device by which three men have been able to vote 165,375 shares of Famous Players Canadian Corporation, has more or less rendered impotent every director with regard to important affairs of the company and every other shareholder than the three men concerned.

N. L. Nathanson, who is understood to have induced President Zukor to turn over his shares to the company to be placed in a voting trust, is no longer in charge of operations and is generally understood to be decidedly antagonistic to the views of his fellow voters in the voting trust, I. W. Killam and President Zukor, with regard to the future of the Canadian company.

I. W. Killam holds in this situation the balance of power in the voting trust as between President Zukor and Mr. Nathanson. Mr. Killam ever since last summer has on ethical grounds favored the views of President Zukor first, by refusing his support to the consummation of the negotiations to secure an offer of $75 from British Gaumont for the shares of Famous Players Canadian Corporation, and later in refusing to sell his shares to a Montreal group at $60 cash a share even though it was stated that this offer would be extended to other shareholders.

Bound in Honor to Aid Zukor

"I do not know how Mr. Killam could act otherwise than as he has done," said a large shareholder with whom The Financial Post discussed the matter. "He felt himself in honor bound to support Mr. Zukor, I judge, as sale to British Gaumont would really mean that the Fox interests would have control. That is made plain in the advertisement offering $30,000,000 debentures of General Theatres Equipment, Inc. It states there definitely, 'Fox Film Corp. has a substantial stock interest in a British company which owns 65 per cent of the ordinary stock of Gaumont British Pictures Corp., operating over 300 theatres throughout the British Isles. Does that not make it plain that the sale Mr. Nathanson is reported to have been trying to negotiate was really not so patriotic as some have claimed? Whether controlled by Paramount or Fox, control would go from Canada."

"Well, what about the reported offer of $60 cash as having been made Mr. Killam in Montreal?"

Board is Impotent

"There is one thing you must bear in mind. Neither the $75 offer or the $60 offer came before the board. The other directors cannot say what Mr. Killam may have done or what negotiations for purchase of his personal stock may have taken place. He may not have been willing to negotiate with Mr. Nathanson or any group that he thought was affiliated with him. He may believe that somewhere Fox would still be in the picture and that he is bound to take such action as would best conserve the interests of Paramount, such an understanding being implied or understood in the formation of the voting trust."

Canadian Cottons Pfd. in Danger

From Our Own Correspondent

MONTREAL. — The annual financial statement of Canadian Cottons for the fiscal year ended March 31, 1930, is not expected to show earnings sufficient to take care of preferred dividends. In the previous year profits were equal to $6.96 a share on the preferred stock and since there has been no improvement in conditions during the past twelve months it seems that the dividend will not be earned.

Whether it will continue to be paid remains to be seen. The shares are presently offered at 67, at which price the dividend of 6 per cent yields about 9 per cent, and the action of the stock appears to be discounting some bad news.

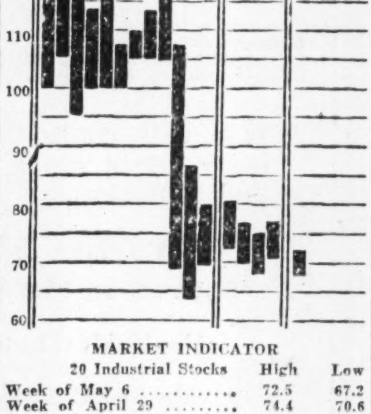
Hotels Busy But Profits Take Slump

The big hotels in Canadian cities are not looking forward to a good year as far as profits are concerned according to leading officials interviewed by The Financial Post. Not only has the amount of custom fallen off considerably below that of a year ago, but what is more important, the amount of money being spent by each visitor has shown a decided slump during 1930.

For example, in one of the biggest Canadian hotels the business in its main dining room has fallen off 75 per cent this year while business in its coffee shop where cheaper meals are served, has increased over 50 per cent. This is typical of what the hotels are expecting during the coming 1930 season. They expect that there will in all probability be more tourists and guests to accommodate this summer due to a steadily increasing tourist trade, but that those who use hotel accommodation will only spend a fraction of what they spent a year ago, when the stock market boom was at its height and business conditions generally were prosperous.

Such a condition of affairs will of course make substantial inroads into profits, because 75 per cent of the business done by leading hotels is a luxury business and it is just this luxury business which has dropped to a minimum. Furthermore, there will be no chance of cutting down overhead, for as large if not larger staffs will be needed as were required in 1929.

Stock Market



MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of May 6	72.5	67.2
Week of April 29	74.4	70.6
Month of May, 1929	115.4	100.5
8 Bank Stocks		
Week of May 6	263	260
Week of April 29	264	260
Month of May, 1929	300	284
10 Public Utilities		
Week of May 6	99	93
Week of April 29	104	98
Month of May, 1929	112	102

MIGHT BUILD SECOND MILL AT McINTYRE

Announcement of Policy Expected Within Few Days

The long awaited announcement by McIntyre Porcupine Mines regarding a new mill will probably break during the current week. At least, it is being seriously discussed by the company's officials as The Financial Post goes to press.

The question of a new mill is one of economics. Has the company sufficent proven and potential ore reserves to justify such an expenditure, sufficient to amortize the capital and at the same time pay interest in the form of dividends on this capital expenditure? The company's president has expressed his willingness to give favorable consideration to new mill construction, but first wants to be convinced that it is an economically sound procedure.

Looking Ahead 18 Years

Decision on a new mill is of more than ordinary significance. It means that McIntyre, after 18 years' record as a profitable producer has sufficient possibilities to justify belief that it is good for another 18 years.

The big No. 11 shaft, placed into operation last fall, is the centre of the company's future operations. From the 3,875-foot level of this shaft a long easterly crosscut has been put out for exploration purposes. This crosscut did not follow the veins encountered as have previous developments, and, as a result, only occasional ore was encountered, the objective being to open up and explore the eastern section of the property in a more extensive and comprehensive manner.

The measure of success met with in this programme, will have an important bearing on the proposed mill, since it will indicate the possibilities of the property at depth in practically virgin territory.

Ore Increase Seen

The last published estimate of ore reserves gave 2,026,279 tons assaying $8 per ton in gold, or a gross value of $16,179,205, sufficient to operate the present mill of approximately 1,500 tons daily capacity for about four years. The forthcoming annual report will probably show a substantial increase over these amounts and developments in the new eastern area to be very promising. Otherwise, the question of a new mill would not be the paramount issue.

One interesting phase of the company's estimate of ore reserves is its confirmation of values as indicated by the grade of ore treated. During the past several years these figures have paralleled closely each other, which shows the reliable and thorough manner with which these estimates are made.

May Have New Type

The company's metallurgist, James J. Denny, is responsible for the introduction of new and advanced ideas in the recovery of gold. His early experiments were sufficiently interesting to justify a 100-ton pilot mill being installed last fall, and while no announcements have been made on the information gained in this test mill, it is recognized as the forerunner for what might be incorporated in a new mill.

Plans for a new mill do not mean that the present one is obsolete. Probable size of any new mill has not been discussed, and the fact that the present one is operating efficiently causes some conjecture as to whether a new mill will supplant or supplement the present one. In any case, if a mill is built, it can be relied upon to be the last word in up-to-date construction and a model of efficiency.

Supertest May Take Dividend Action Soon

Supertest Petroleum Corp. may consider a dividend increase at an early date, according to talk in market circles. The Financial Post is informed by interests close to the management that earnings in 1930 to date are as far ahead of the same period last year as that in turn was ahead of 1928 to a like date.

As earnings in 1928 were $2 a share, in 1929 $4.25 a share, this is interpreted as meaning that present earnings are at the rate of between $6 and $7 a share on common stock.

McCOLL-FRONT. SHARE PROFITS AROUND $2.15

Report Expected This Week Likely to Show Big Gains

REFLECT CHANGES

Heavy Depreciation Charges; Funded Debt and Preferred Stock Features

From Our Own Correspondent

MONTREAL. — Financial statement of McColl-Frontenac Oil Company for the year ended January 31, 1930, will likely be made public toward the end of this week. It is understood that the report will show gross earnings along the lines anticipated, but that heavy write-offs for depreciation will bring down net earnings to about $2.15 a share on the common stock outstanding.

It had been expected that the company would be able to show in excess of $2.50 a share, but this figure was arrived at without taking into consideration the large capital expenditures of the past twelve months which have necessitated a larger depreciation charge.

Consolidated net earnings, after all operating expenses, including depreciation and after deducting interest and dividends on subsidiary companies' securities not yet acquired, amounted to $1,236,945 for the seven months ended August 31, 1929. Officials of the company at that time estimated that the net profits for the full fiscal year, on the same basis as above, would aggregate about $2,000,000.

Earned $1.41 in 1928

During the thirteen months ended January 31, 1929, the company reported net earnings of $1,317,296. From this sum was deducted provision for income tax, reserve for accrued and unpaid dividends on stock of subsidiary and its own preferred stock, there remained a surplus of $603,187. This was equivalent to $1.41 on an average amount of stock outstanding during the year, namely, 421,809.

Provided that the company shows earnings estimated at approximately $2.15 a share for the past year, the result may be considered as good, inasmuch as there was additional stock outstanding and further that expenditures on plant, etc., had been capitalized, upon which interest charges totalled a fair amount.

The forthcoming report should show several interesting changes. The last statement indicated $897,500 of preferred stock of Frontenac Oil Refineries Limited still outstanding. Back in June the parent company made an offer to exchange this stock for its own preferred shares, on a share for share basis, and in addition, pay an amount in cash equivalent to the dividend arrears on the acquired shares dating from August 1, 1927 to March 31. 1929.

The second change of importance in the balance sheet will be the inclusion for the first time of a funded debt, amounting to $7,500,000 first mortgage and collateral trust bonds. These debentures are convertible into common stock at any time up to and including October 1, 1934, at the conversion price of $50 a share.

Stock Attracts Attention

There was talk of the company making arrangements for a refinery at Winnipeg or some other central point in the West. This plan has not been carried out to date, though there is a possibility that at some time or another the company will undertake the manufacture of its own products in the West.

At different times there has been considerable activity in the stock of McColl-Frontenac. Rumors have been circulated on occasion to the effect that a large American crude producer was anxious to buy into the company. On this news the stock has moved up several points and at one time touched a high of about 44. As nothing came of these reported negotiations, the stock has settled down to a current level of around 23, at which point it receives a measure of support.

Canadian Canners May Raise Dividends

Canadian Canner's annual statement, about to go forward to shareholders, is expected to show earnings around $1,140,000 available for dividends. The expectation is that the company will again raise dividends as it has done in the early part of each year. It can raise the 2nd preferred to 90 cents a share and the common to 75 cents a share, but the strong hope of many shareholders is that the rate will be $1 a share on both second preferred and common stocks.

The year will cover fourteen months, but as it covers a full season it matters little whether it is for 12 or 14 months so far as earnings are concerned. The new dividend will be payable July 1st next.

BOARD PASSES STEEL STORES NEWEST PLANS

Is Step Toward Forming Purely Canadian Company

The plan to segregate the Canadian assets of Steel's Consolidated, Inc., into a new company, the shares of which will be held by shareholders of the parent company, moved a step forward when the directors, meeting in Buffalo on May 5, approved in principle the plan of Major C. H. Mackenzie, secretary of Steel's Consolidated, Ltd., and of Steel's Stores, Ltd.

There are four Steel's companies. The parent company is Steel's Consolidated, Inc., which controls directly the United States real estate occupied, and the shares of Mary Lincoln Candy Shops, Merrimac Coal Mines, Steel's Consolidated Ltd., Steel's Stores, Inc., and other subsidiaries which are inheritances from the L. R. Steel enterprises.

Two in Receivership

Steel's Consolidated, Ltd., owns the Canadian real estate. Steel's Stores, Ltd., is a subsidiary of Steel's Stores Inc., and operates the Canadian retail outlets. These retail establishments market goods ranging from 5c. to $1, with a few items selling at $1.50.

The receiverships involve Steel's Stores, Inc., and Steel's Stores, Ltd., and not the parent companies. The receivership of Steel's Stores, Ltd., resulted from some nervousness on the part of some Canadian creditors a few weeks after the beginning of the receivership of Steel's Stores, Inc.

It is believed that all of the claims of creditors of Steel's Stores, Ltd., can be met in full. The same hope has not been expressed with regard to Steel's Stores, Inc.

The hope is that, with a reorganization along the lines proposed by Major Mackenzie, the Canadian stores can continue to operate and eventually prove profitable enterprises.

Requires More Funds

Reorganization of Steel's Stores, Ltd., as a unit entirely separate from the United States company is said to be a preliminary to segregation of all of the Canadian assets of these enterprises. Major Mackenzie and his associates are said to believe that there is a good chance of ultimate profit for the shareholders if the Canadian and the United States enterprises are organized separately with no corporate connection between the two.

Details of Major Mackenzie's plan, which have not yet become available, probably will be forwarded to shareholders within a few days. At that time, it is likely that there will be some information as to plans for further financing. It has been said that the reorganization of Steel's Stores, Ltd., would involve some additional financing in order to clear up the pressing claims of creditors and thus to end the receivership, and to give the company adequate working capital. It is understood that inventories have been reduced materially since the beginning of the present year.

Position of Flour Millers Appears to Be Improving

Expect Some Arrangement May be Entered Into Which Will Permit Millers to Compete for Export Trade More Successfully

From Our Own Correspondent

MONTREAL.—Operations of Canadian flour mills during March were conducted at a higher rate of capacity than has been achieved during the current year to date. The percentage of capacity was 40.4 per cent, February operations were at 37.7 per cent and January at 38.6 per cent of capacity. Though the increase is small, it is nevertheless an indication of a betterment in the industry which was anticipated.

March production amounted to 1,219,202 barrels of which 680,697 barrels were exported, while the total production of Canadian flour mills for the eight months of the milling year to the end of March amounted to 10,557,567 as compared with 14,387,315 a year ago. Exports have shown a still more drastic decline in the same period falling from 8,411,670 barrels in the first eight months of the last milling year to 4,496,855 barrels in the same period this year.

There are hopes, however, that conditions will improve more rapidly from now on, though there is no likelihood of the mills achieving the record set in production and export figures last year. Wheat prices have sagged to new low marks which is a stimulant to export demand for flour, while there is reason to hope that the impasse which has surrounded the market for Canadian wheat may be relieved.

Co-operation Looked For

Further hope for the Canadian flour miller is seen in the tentative suggestion for co-operation between the wheat pool and the milling industry. The Grain Stabilization Corporation in the United States has offered to sell wheat to American millers to enable them to revive their export trade and to move out of the country, as flour, much of the wheat that has not been moved out as wheat. If such a policy were adopted in Canada it might serve two purposes. In the first place, a market would be provided for the large store of wheat which has accumulated in Canada and in the second, it would enable the millers to bid into the markets, which they have built up over a long period of years, and which they are now in danger of losing through inability to compete on a price basis.

CANADIAN CAR MAY GET ORDER FROM SOVIETS

Negotiations May Lead to Awarding of Contract

WORK AHEAD TO JULY

Net Earnings Up to Date Close to $1,500,000 After Allowing Depreciation

From Our Own Correspondent

MONTREAL. — Negotiations are now going on between a Soviet commission and officials of the Canadian Car and Foundry Company. While matters as they stand now do not definitely presage that a contract will be signed, it is understood that when certain features have been smoothed away, it is possible that the Soviet commission will place a substantial order for railway rolling stock with the Canadian company.

There are many points to be settled before a contract is in sight. Sureties as regards payment, deliveries, superintendence of work, etc., are only a few of the matters that have to be settled.

Though negotiations are still in the early stages, the fact that a possible contract may be entered into, is regarded as a further favorable factor in the outlook for the company.

Considerable Work Ahead

It is understood that at present Canadian Car has sufficient business on hand to keep its plants operating until the end of June. The work covered to date has been largely for the Canadian National and Canadian Pacific Railways. Owing to plant improvements carried out in the past year or so, Canadian Car has been able to handle this work expeditiously and on a favorable cost basis.

With the completion of the present contracts, however, it will likely be necessary to restrict operations unless additional business is forthcoming. If an agreement can be reached with the Soviet officials, a contract from that source would carry the company well on toward the end of its fiscal year next September.

There is the possibility, of course, that some additional work will be allotted by the railways. This is somewhat uncertain owing to the sharp recession in railway earnings this year. Had traffic conditions been more favorable in the first quarter, it is likely that the railways would have placed additional contracts as they are known to be in need of further rolling stock. With a limited grain movement so far, however, equipment has been ample to take care of traffic needs. Arrangements for future rolling stock, therefore, may have to be held in abeyance until conditions improve.

Earnings Are Maintained

While Canadian Car may not have sufficient business to keep its plants operating at capacity until the end of the year, financial returns for the first seven months are decidedly encouraging.

In that period net earnings are understood to have approximated $1,500,000. This is after taking care of depreciation and all overhead charges. During the full twelve months of 1928-29, the company reported net earnings of $3,255,902. There is still a good volume of work

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DULUTH TRAM FAILED TO PAY BOND INTEREST

Principal Also Due May 1; Receiver to Be Named

Announcement of appointment of a receiver for Duluth Street Railway Co., subsidiary of Duluth-Superior Traction Co. is likely within a few days. The company has defaulted on the principal and interest of the first and general mortgage bonds due May 1, 1930. The issues total $3,307,000. It is expected that A. M. Robertson will be named receiver. Mr. Robertson is president of the company.

It is believed that the receiver will resume interest payments soon after taking charge of the property. Bond interest was earned 1.1 times in 1929. Under present conditions, however, it is not deemed feasible for the company to attempt to refund this issue by making a public offering. It is possible that in due course an offer will be made to the present holders of the bonds to accept new securities in their stead. Interest on the 5 per cent issues totals $165,350 annually.

Net Down 26 Per Cent

First quarter earnings of Duluth-Superior Traction, which includes Duluth Street Railway earnings, were lower than for the corresponding period of the previous year. The figures follow:

	1930	1929	% Decr.
Gross rev.....	$469,984.40	$516,197.51	—8.95
Oper. exp.....	375,760.18	415,662.20	—9.60
Net rev.	94,224.22	100,535.31	—6.28
Fixed chgs. & taxes......	79,258.81	80,113.75	—1.07
Net income....	14,965.41	20,421.56	—26.72

The significant feature of this statement is that operating expenses dropped to a greater degree than gross revenue.

In the past the company has been hampered by franchise stipulations which necessitated considerable expenditures on way and structure which were more in the nature of capital expenditures than of maintenance. Also, the company has been compelled in the past to make non-economic extensions at the behest of the local authorities.

These expenses, which have aggravated the financial difficulties of the company in the face of inevitable decline in steer railway traffic, will be, it is thought, largely eliminated under the receivership. It is believed, also, that many expenses of other kinds will be reduced. The salaries of officers already have been reduced and it is reported that under a receivership the payroll will be lowered otherwise.

In the reorganization, it is hoped that the preferred shareholders will not lose, but there is little, if any, hope of there being anything for the common shareholders.

Committees are Named

Preparatory to the receivership, committees have been named as already announced in The Financial Post, to safeguard the interests of bond holders and of preferred stock holders. There is 343,700 of 7 per cent cumulative preferred of Duluth Street Railway in the hands of the public, many of the holders being employees, and $1,500,000 of 4 per cent cumulative preferred stock of Duluth-Superior Traction Co. in the hands of the public.

The committee representing the first mortgage bond holders is Henry D. Thrall, chairman; Lyman E. Wakefield and Valentine Wakefield. The holders of the general mortgage bonds are represented by Ralph W. Webb, chairman; C. Palmer Jaffray, L. L. D. Stark, secretary.

Dominion Bridge

Some confusion has arisen as to the profits of Dominion Bridge Co. as a result of the cost of constructing the South Shore bridge, below Montreal. The bridge will cost $18,000,000, contrasted with the original estimate of $10,000,000. It is asserted that the construction was strictly on a cost-plus basis, so that Dominion Bridge will benefit in proportion to the total, subject to the expenses, such as cost of land expropriated for approaches, on which the construction company does not get a profit.

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Winnipeg Electric Spending Large Sum

From Our Own Correspondent

MONTREAL.—Approximately $500,000 will be spent by the Winnipeg Electric Co. on its tramways improvement programme this year. It is proposed to reconstruct the track on four streets and to add a third track on Main Street in front of the car barns. In addition to this work there will be replacement of ties and improvements to rolling stock.

According to present estimates, the programme will provide 17,450 days work, which will necessitate the employment of about 300 men for most of the summer. The immediate undertaking of this work will materially relieve the unemployment situation in the city.

ALL OILS BEHAVE DESPITE SAGGING IN OTHER ISSUES

Strength Seen as Market Sobers After Bad Slump

Oil stocks, both on Canadian and U.S. stock exchanges, are showing more buoyancy than most other classes of stocks. While copper stocks drop in deference to the downward trend of prices of copper, oil company stocks show strength because in recent weeks the trend of oil commodity prices has been upward, while pro-ration of oil production has given evidence of being more nearly successful than at any time during the history of attempts to control it.

The failure of attempts to keep copper at 18 cents a pound is but another failure in the long list of attempts to maintain an artificial level of prices. That this does not at the moment apply to oil is no doubt due to the fact that consumers are at no time out of the market for gasoline, lubricating and fuel oils as they have been with copper.

Hold Well in Break

Consumption increases every year and there can be no buyers' strike. Yet, the failure of pro-ration would bring an even greater debacle than in the case of copper. This knowledge makes the strength of present attempts at curtailment, as does also the knowledge that a surplus now will not prevent a shortage ten years from now if utilization of oil supplies is wasteful and extravagant.

British-American Oil, Supertest Oil, Imperial Oil and International Petroleum, especially, have given excellent accounts of themselves during the recent market break. This has been as much in response to improving conditions in the United States as to increasing business in Canada. It is noted that various Canadian brokers have been in New York recently, studying the business situation and the prospects for various stocks, and most of these have returned enthusiastic about the near-term position of oil stocks.

Mergers are Possible

"The fundamentals underlying the industry are stronger now than at any time within the past two years," says Bongard & Co., in a statistical review of the oil industry made after a visit to New York. In this review reference is made to the success of curtailment, to the rising prices for gasoline in many sections, to the California law standing behind curtailment plans, and to the expectation that larger withdrawals from storage are expected this year than at any time since 1926.

Mergers to effect operating economies and permit stabilization of future production are much discussed. Natural gas is leaping into favor and providing an important subsidiary source of income to oil producing companies. Oil products enter more and more into commerce, being now found in 2,000 manufactured articles. Market prices are still regarded by this review as conservative.

CANADIAN CAR MAY GET ORDER FROM SOVIETS

(Continued from page 1)

to go through the shops, so that expectations are that the company will be able to show share profits on about the same scale as last year, when $4.51 was reported on the common stock.

Even though operations are restricted during the last quarter of the current fiscal year, it is said that the earnings in sight are sufficient to ensure a showing as good as last year. If additional work is secured then an even more favorable showing might result.

No Funded Debt

Further improvement in the company's financial position is seen in the fact that there will be limited interest charges to meet on funded debt. Bonds of the parent company and subsidiaries were all called on or before December 1, 1929. The only issue outstanding in the current fiscal year was that of Montreal Steel Works Limited, which was called on December 1.

EXPORT

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Municipal Service Corp. Affairs Working Out

From Our Own Correspondent

MONTREAL.—Affairs of Municipal Service Corporation are gradually being straightened out and it is expected that the bondholders committee will be able to make some statement as regards a reorganization before the end of the month. The company is in the hands of the trustee, the Prudential Trust Company, and a manager has been appointed to operate the property.

It was found necessary to dispose of one of the properties owned by the corporation, namely, the water works system at St. Therese, but it is understood that earnings are sufficient to take care of operating expenses at present. Other properties comprise Amos Water & Power Company, a gas distributing system at Saranac, N.Y., and water works systems at Shawbridge and Val Morin, in Quebec. In addition to this a grain and lumber business is conducted at Huntingdon.

Bond interest on the issue of $500,000 first mortgage 6 per cent bonds of Municipal Service Corporation was passed in May, 1929, and properties mortgaged under the trust deed were taken over by the Prudential Trust in January, 1930. The bondholders' committee has been working on some plan whereby the capital structure may be reorganized and it is thought that the new structure will take the form of a no par stock, and the elimination of the present bonded indebtedness which has proved a too heavy burden for the company in the past.

CANADA IS THIRD IN TOURIST INCOME

Country is Large Foreign Borrower Per Capita, Geneva Shows

Several widely accepted ideas are jarred by a volume on international trade and balances of payments during the year 1928, issued by the League of Nations economic section. It shows, according to a New York Times cable:

The country lending the most abroad per capita was not the United States, but The Netherlands, which was followed by France and the United Kingdom.

The country borrowing the most abroad per capita was not Germany, but Australia, which was followed by Germany, Argentina, Norway and Hungary. Germany was greatest in the amount borrowed, her total being $1,067,000,000. Australia was second, with a total of $267,000,000.

The heaviest annual interest payments abroad per capita are not by Europeans, the most heavily indebted of European nations paying only from $2 to $5 per capita, but by Australia, New Zealand, Canada, Argentina and South Africa, the citizens of these sparsely settled countries paying from $10 to $30 each.

The greatest net receipt from interest and dividends was still recorded by the United Kingdom, with $1,387,000,00 and $683,000,000, respectively, in 1928.

The United States, far from being a laggard in her merchant marine, had the second greatest gross income from maritime freights in 1928, the figures being for the United Kingdom $657,000,000; for the United States $339,000,000, and for Germany $59,000,000, with Norway, Italy and Sweden following.

Canada profits more from tourists than the country whose name is generally considered synonymous with touring, Switzerland. The nations receiving the most from foreign tours are, in order, France, Italy, Canada and Switzerland. A majority of the other countries show a net expenditure on this account, the tourist expenditure of the States for 1928 being $614,000,000.

Investment Trust Shares Are Offered in Canada

Participation is being offered in Canada of no par common shares of First American Corp. a Maryland corparation investing in a diversified list of securities. It is stated that the investment policy of the company will be a relatively permanent position in securities selected for investment and that not more than 5 per cent of the corporations resources shall be invested in any one security.

The capitalization of the company consists of only one class of stock, having no par value, of which there are 5,000,000 shares authorized. The financial programme of the corporation contemplates a continuous increase in its assets through sale of common stock to investors at a price which, after payment of a fixed 6 per cent distributing commission, yields the corporation the net liquidating value per share computed daily. Offering of shares in Canada was made on April 28 by a United States syndicate at $11.25 per share.

E. W. Beatty Joins Board of Sun Life Assurance

From Our Own Correspondent

MONTREAL.—E. W. Beatty, president of the Canadian Pacific Railway and director of the Bank of Montreal, has been elected to the board of directors of the Sun Life Assurance Company of Canada. Mr. Beatty fills the vacancy on the board caused by the death of Abner Kingman.

The full board of directors of the Sun Life are now composed as follows: T. B. Macaulay, president and managing director; Arthur B. Wood, vice-president and actuary; Robert Adair, W. M. Birks, Hon. Raoul Dandurand, J. Redpath Dougall, Sir Herbert S. Holt, J. W. McConnell, Hon. Lorne C. Webster, Ross H. McMaster, C. B. McNaught, C. E. Neill, Carl Riordon, John W. Ross, Hon. L. A. Taschereau, Hon. James C. Tory, E. W. Beatty.

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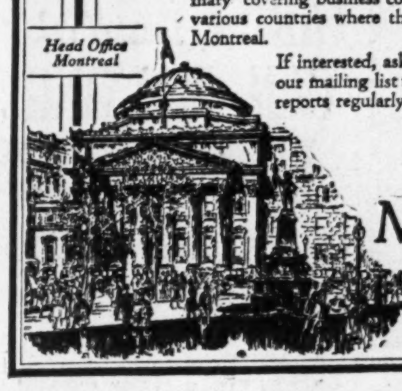
BUSINESS *and* AGRICULTURAL INFORMATION

DURING the growing season periodic reports on crop conditions throughout Canada are issued by the Bank of Montreal.

Month by month, the Bank publishes a "Business Summary" covering business conditions in Canada and in the various countries where there are offices of the Bank of Montreal.

If interested, ask to have your name placed on our mailing list to receive either or both of these reports regularly without charge.



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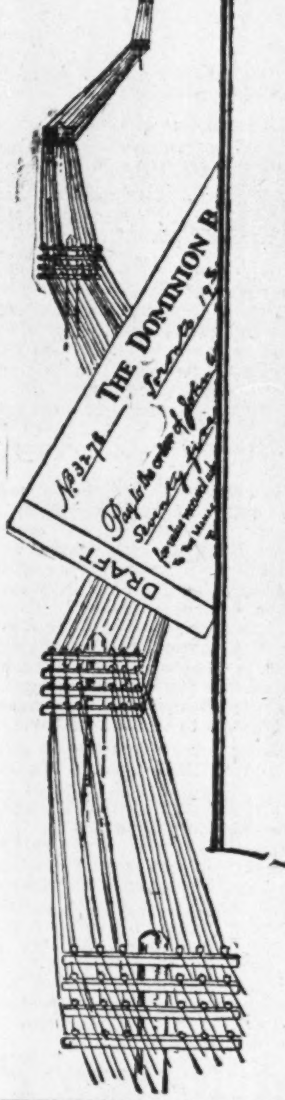

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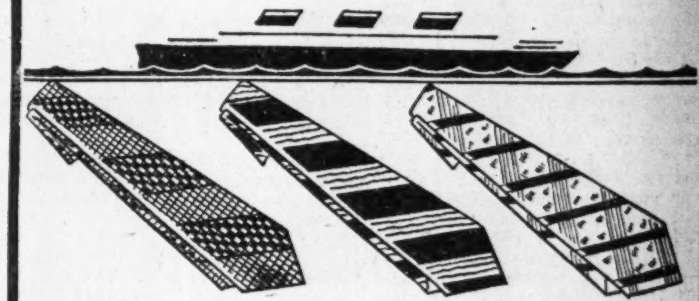

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PROFIT IS GROWING

First Quarter's Net Exceeds $2—Claimed That Present Manager Said Shares Might go to 100

It is claimed by Canadian Moving Picture Digest, in its current number, that earnings of Paramount Famous Lasky Corporation for 1929, include $3,000,000 profit due to the sale of the American company's shares in Famous Players Canadian Corporation, when control was brought to Canada a year ago. With this eliminated from operating earnings the ratio of profits for the Canadian company would be $6.26 for the year ending August 31, 1929, as compared with $5 a share for the American company. Despite the greater market valuation for Paramount this contention, if valid, makes even stronger the Financial Post contention that a fair offer to shareholders would have been share for share from Paramount. When it is further understood that earnings for the first quarter have been a record for the company, exceeding $2 a share, the contention is strengthened even though a recession in business in Western Canada and elsewhere may cause a later drop which shareholders would believe likely to be only temporary.

In the recent recession on the New York Stock Exchange price of Paramount dropped to $60 a share where at the 4 for 5 offer it showed only $48 a share value for Famous Players. It has been as low as 38 and as high as 77, and it may be either again.

Canadian Moving Picture Digest devotes fourteen pages of the issue of April 26 to discussing every aspect of the offer made by Paramount Famous Lasky of four shares for every five Famous Players Canadian Corporation. This journal, obviously sympathetic with the views expressed by N. L. Nathanson with regard to various offers made since last summer for control of Famous Players, publishes a series of cables purporting to have passed between I. W. Killam and N. L. Nathanson with regard to negotiations with British Gaumont to sell at $75 a share control of Famous Players, and it also gives what purports to be in part a stenographic account of what happened at the annual meeting of the Famous Players Canadian Corporation.

Questions by A. W. Roebuck, now organizing a protective committee of shareholders, and by Mrs. Smith (Ray Lewis, editor and managing director of Canadian Moving Picture Digest), brought denials from Adolph Zukor and I. W. Killam that any offer from British Gaumont had ever come before the Board of Directors. Mr. Zukor added that the proper way to submit an offer is in writing. Secretary Bragg read a memorandum which showed that there had been a question of the sale of the company to the Gaumont British, but it was not in the minutes.

The report continues as follows:

MRS. SMITH (to Zukor): "Would you be in favour of a sale of the Company at $75.00?"

ZUKOR: "Yes."

MRS. SMITH: "One American is as good as another. Would you make an offer of $75.00?"

Uproarious laughter. . . .

McCARTHY: "What was the transaction referred to in this cable?"

ZUKOR: "That is none of your business."

McCARTHY: "Will Mr. Killam tell why he and Mr. Zukor would not go on with this transaction?"

KILLAM: "Because it was crooked.""

McCARTHY: "You say it was a crooked transaction?"

KILLAM: "Yes."

McCARTHY: "Will you guarantee that the shareholders will receive at least $75.00 per share?"

ZUKOR: "Go ask the banks."

COHEN: "The shares may go to a hundred." . . .

Killam made some further references to the history of the Company, and to Mr. Zukor, whom he said had always promoted the interests of the shareholders, and he instanced the fact that when Mr. Nathanson was going to England to negotiate the deal with Gaumont British, Mr. Zukor had given him a letter of introduction which would be of interest to him.

ROEBUCK: "Wow."

MRS. SMITH: "I thought Mr. Zukor knew nothing of the negotiations." . . .

MRS. SMITH: "After Mr. Zukor gave the letter of introduction to Nathanson, why did you change your mind?" (to Killam.)

KILLAM: "Because I found out that the Gaumont British was Fox controlled."

SMITH: "The Gaumont British deny this, who told you Gaumont British was Fox controlled?"

KILLAM: "Lord Beaverbrook told me."

The meeting broke up without voting on the vote of thanks.

Besco's Colliery Hoist Shows Decline in April

From Our Own Correspondent

MONTREAL.—While output of British Empire Steel Corp. collieries in April was lower than that of the previous month and 102,423 tons less than in April, 1929, prospects for a betterment in these figures during the current year is seen in the new government bounty of 49½ cents a ton on Canadian bituminous coal used in smelting.

The hoist in April, 1930, at Besco's collieries was 330,230 tons as compared with 392,722 tons in March while a still further decrease is recorded in comparison with April, 1929, when 432,713 tons were raised.

Steel of Canada Furnace Capacity Totals 600,000 Tons

From Our Own Correspondent

MONTREAL. — Accompanying the dividend cheques of Steel Company of Canada is a brief review and illustration of open hearth furnaces. In 1898 the first unit was built, consisting of two fifteen ton furnaces with an annual capacity of 20,000 tons. This department was added to from time to time until the present annual capacity is 600,000 tons.

The fuel used is a mixture of blast furnace and coke oven gas, a new departure on this continent, and the company's two new furnaces are the first to be designed and built expressly for such mixed fuel in North America.

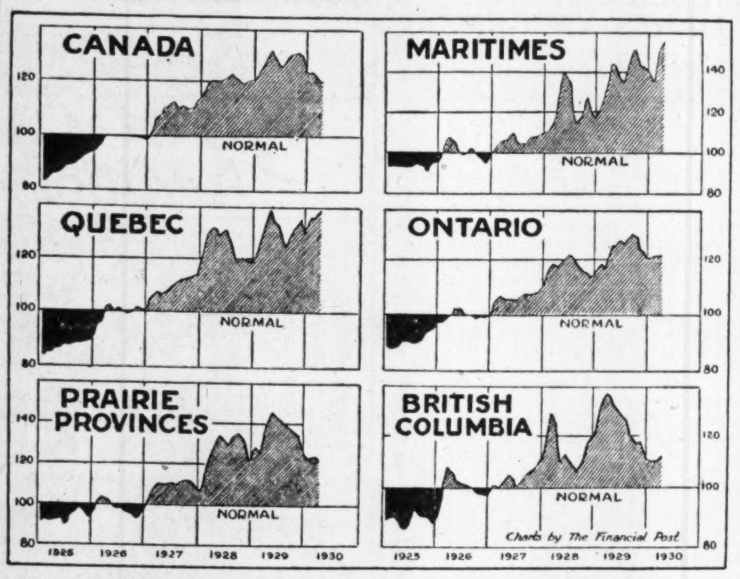
Original Foundation Co. Surrenders Old Charter

From Our Own Correspondent

MONTREAL.—Final winding up of the original company whose assets were acquired by Foundation Company of Canada, Limited, in 1925 is reflected in the surrender of the charter of Foundation Company, Limited.

This company was formed in 1910 as a subsidiary of Foundation Company of New York to operate in Canada, but now passes out of corporate existence. The present Canadian company, Foundation Company of Canada, has been under Canadian control since 1929.

Maritimes Business Resists Trend



The chart of business activity by economic areas indicates that a sharp gain was effected in the Maritime provinces during the first quarter of the present year and that conditions were more than maintained in Quebec. Conditions were depressed in Ontario below the high levels of last year and depression has been apparent in the Western provinces for nearly 12 months. The index of employment, one of the most significant factors considered in this connection, showed recession at the first of April in all economic areas except in the Prairie provinces where a slight gain was shown after seasonal adjustment. Bank debits were in greater volume than in February, the increase being due mainly to revived activity on the stock exchanges.

Resistance is Displayed To Decline in Business

Maritime Provinces Able to Report Substantial Gains—Business Level There Finding New Peak Again

By SYDNEY B. SMITH

Business activity in the five economic areas, though at a depressed level in the first quarter compared with the same months of last year, showed during March strong resistance to reactionary tendencies. Further gain was shown in the Maritime provinces in March over the preceding month. Conditions in the Prairie provinces after seasonal adjustment were not quite so favorable as during midwinter, while moderate gains were shown in Quebec, Ontario and British Columbia.

Maritime Provinces

Despite the world-wide business reaction of the first quarter, increases in activity were shown in the Maritime provinces from month to month since the beginning of the year. Much of the rise in the index has been due to the marked expansion in the output of electric power. The construction of hydro-electric plants in New Brunswick and Nova Scotia during the last two or three years is making an impression on the general index of business activity. Last year the St. John River Power Co. added the second and third units of 20,000 h.p. each to its plant at Grand Falls, N.B., while the Bathurst Power and Paper Co., added a 5,500 h.p. unit to its Nepisquit River plant in the same province. The N.S. Power Commission completed three plants on the Mersey River of an aggregate installation of 30,900 h.p. and one on the Tusket River where 3,000 h.p. was installed. Hand in hand with the development of hydro-electric power plants has gone the expansion of the pulp and paper industry. The Dalhousie Mill of the N.B. International Paper Co. was formally opened on March 14. Including the two additional machines which it is planned to install this summer, the daily capacity of the mill will be 550 tons of newsprint. The Brooklyn mill of the Mersey Paper Company has been increasing its operations toward capacity. The new high grade bleaching sulphite pulp mill having a capacity of 45,000 tons of pulp per annum at Atholville near Campbellton, N.B., has commenced production. Logging operations were favored with suitable weather conditions and consequent low cost of production, but demand in external markets is much below normal. Bank debits in March showed a gain of 4 p.c. and sales of life insurance were up 8.5 p.c.

Quebec

Manufacturing activity in Quebec showed decline during March, judged by the lower levels of industrial employment and of the production of electric energy. The newsprint industry was operating at about 70 p.c. of capacity. Owing to business reaction in the principal markets the demand for newsprint had not shown the normal increase during the first quarter. The strength of the present situation lies in the activity in the construction industry. The contracts awarded during the first four months amounting to $57,000,000 were 66 p.c. greater than during the same months of 1929. Projected new construction as well as the completion of undertakings already begun promises an active season. Owing mainly to speculative activity bank debits after seasonal adjustment showed a gain of 15 p.c. over the preceding month. The business index increased from 136.0 in February to 138.5 in March.

Ontario

The effect of the business reaction was felt in Ontario during the first quarter and the business index reflected depressed conditions compared with the greater part of 1929. Operations in the primary iron and steel industry were satisfactory. Agricultural implement plants reduced production schedules owing to unsatisfactory demand. Several automobile establishments showed gains in production greater than normal for the season, the output in March being 20,730 units. The rate of production, however, was only slightly more than half that of the same month of last year, when records were being broken. Bank debits after seasonal adjustments were up 10 p.c. and sales of life insurance were more than maintained. While the business index for Ontario was 121.2 in March compared with 120.3 in February, the slight gain was due to the smoothing process only.

Prairie Provinces

Though the situation in the Prairie provinces presented some features of strength in March, the business index showed a moderate recession from the preceding month. After adjustment for seasonal tendencies the output of electric energy and the index of employment were at higher levels than in the preceding month. Building permits in Alberta and Saskatchewan showed marked gains in March. Contract awards were in lesser amount and except in Alberta the amount of work contemplated is less than in 1929. Weather has been suitable for seeding though moisture is insufficient for proper growing conditions. Bank debits and sales of life insurance showed recession in March.

British Columbia

Conditions in British Columbia were adversely affected by depressed demand for the primary products of the province. The recession in the sale of lumber products in external markets paralleled a drop in prices for base metals including copper, lead and zinc. The port of Vancouver felt the affects of a slack export trade in wheat and lumber. Despite the unfavorable conditions in some lines, the business index showed a slight gain in March subsequent to a decline lasting about 12 months.

The business reaction commencing in the latter part of 1929 has been more severe than was anticipated in some quarters, and the readjustment is consequently taking longer than would have been necessary for a moderate recession. The very nature of a business reaction is such that correctives are automatically established which will sooner or later reserve the downward trend. Low money rates and depleted stocks of the principal commodities are the chief factors which will lead to business recovery within a reasonable time.

Big Montreal Property May Be Theatre Site

From Our Own Correspondent

MONTREAL.—That offers for the Christ Church Cathedral property in Montreal have been made by unidentified interests seems to be definitely established, though it appears that the owners are at present unwilling to sell. The property is located in the heart of the up-town district and it has been estimated that it would change hands at a figure over $4,000,000.

The most obvious bidder appears to be one of the theatre groups, either Famous Players or other interests, though no information is available from official sources. The site has been mentioned before in various real estate deals; it is thought that a sale is now mainly dependent on a new site being found for the cathedral.

Loblaw's Profits Up 39 Per Cent

Loblaw Groceterias sales for the first eleven periods ending April 5 increased 13.4 per cent over the corresponding period a year before and profits for the same periods increased 38.9 per cent.

According to figures released by Moss, Lawson & Co. sales for these eleven periods were $15,698,834 as against $13,840,634, an increase of $1,858,200. Profits at the same time were $877,386 as against $632,842 for the previous year, an increase of $244,544. As the fiscal year of the company does not end until May 31, there are still two periods to complete the story of the year's progress.

Asbestos Corporation Elect New Directors to Board

From Our Own Correspondent

MONTREAL.—At the annual general meeting of shareholders of Asbestos Corporation Limited, Hon. Jacob Nicol, Hon. Philippe Pardais, and R. O. Sweezey were elected to the board, replacing J. C, Cook, K.C.; P. S. Ross and H. E. Mitchell, resigned.

The meeting was mostly a formal affair, the President, Col. R. F. Massie, again stating that the best efforts of the management were being directed to the re-establishment of the company, not its reorganization. Work during the past six months, he further stated, had indicated that there is available a vast body of rock which has a good quality of asbestos, which was not known a year ago, but the unsettlement of the market for the company's product, continues to make progress difficult.

Quebec Ground Rent is Unchanged for Timber Limits

From Our Own Correspondent

MONTREAL. — No change has been made by the Quebec Government on the grounds rent which affect timber limits holders. It was expected that a change would be made at the beginning of May, but a new order-in-council provides that no change in rate on that tax will take place. The last change was made in 1920 for a period of ten years, which according to the order-in-council passed then, ended on May 1. The rate then had been raised from $5 to $8 per square mile, representing a considerable increase in the rent.

The order-in-council passed in the present case, however, extends the present rate for a period of one year, so that instead of a revision taking place in 1940, there may be alterations next year. The reason for the present stand taken by the Government is said to be the outgrowth of the existing situation in the lumber industry.

Robt. Mitchell New Plant Marks Company Progress

MONTREAL.—Official opening of the plant of the National Bronze Co., Ltd., subsidiary of Robert Mitchell Co., Ltd., at St. Laurent, marks an important step in the progress of the parent organization. Though the new bronze foundry has been in operation for some months, the inauguration on April 25 featured the final completion of all details.

The St. Laurent unit, which is claimed to be one of the most modern plants on the continent, is equipped with electric bronze furnaces and embodies all the bronze operations of Robert Mitchell Company. New equipment, testing devices, laboratories and provision for good working conditions, should make the new foundry a low cost producer in addition to improving the quality of its output.

DIST.-SEAGRAMS OUTLOOK BRIGHT IN CURRENT YEAR

Sales Show Steady Gain While Summer Trade Prospers

From Our Own Correspondent

MONTREAL.—Sales of Distillers Corp.-Seagrams, Limited, continue to show steady gains and it is presumed that earnings show a proportionate increase. At the annual meeting in October, 1929, it was stated that business to that date had showed a marked improvement and it is understood that this upward trend in sales has been maintained. The outlook, therefore, for earnings in the current fiscal period which ends July 31, 1930, may be considered satisfactory.

The stimulation which summer brings to production is already evident, and the demand for gins, of which the company manufactures a wide variety, is reported to be encouraging. Domestic business is showing gains though it is inclined to be spotty in some regions. Distillers-Seagram has a Dominion-wide distribution for its output.

While there has been no official word on export business, it is believed that this division is making satisfactory progress. The proposed export law prohibiting clearance to United States ports, is expected to be passed, and in most cases has been anticipated by the distilling companies. If the law comes into effect it will stop a section of export business on which there is an encouraging margin of profit; nevertheless it is thought that the same volume of output will be maintained since the business will be re-routed through legal channels.

Finish Wide Development

Distillers-Seagram has undertaken a material programme of plant expansion during the past two years and though this is completed, conditions may warrant the erection of another warehouse. Present productive capacity is approximately 4,000,000 gallons at the Lasalle distillery and in the region of 1,000,000 gallons annually at Waterloo.

Shares of the company have been firm on the Montreal Curb Market, and presently change hands in the region of 12. At this price they yield 8.3 per cent on an annual dividend basis of $1 a share. Quarterly dividends of 25 cents a share have been maintained regularly since November, 1929.

Though there appear to be certain inevitable hazards attached to the distilling business in the form of adverse legislation, the outlook for Distillers-Seagram is encouraging. The company has built up a strong domestic market for its brands which comprise a wide line of various gins and whiskies. Its affiliation with the parent organization, Distillers Company of Great Britain, is another factor which lends strength to its structure. In all, the Canadian company handles 22 different brands.

Unemployment in Germany according to registrations at the Public Labor Bureaus numbered 3,400,000 at the end of February as compared with 3,100,000 a year ago. This number may be regarded as the peak of unemployment at the height of the winter depression in so far as wage earners entering the labor market are concerned. Of this number, 2,656,000 were protected by unemployment insurance or by the emergency labor measure, compared with 2,622,000 in the preceding year.

Western Air Mail Now Saves a Day

Speeding up in the handling of letters sent via the air mail service from Calgary to Winnipeg has resulted in a saving of 24 hours in transit between Calgary and Toronto.

The Western Canada air mail service began operations on March 3 with the aim of saving 12 hours in letter delivery. It was able to cut the time to Winnipeg by 12 hours but from there on letters were delayed so that they reached Toronto anywhere from 24 hours to three days later than mail sent by train.

On April 25 The Financial Post Calgary office posted a letter to catch the regular mail train. After the train had gone the office sent another letter by air mail. Both letters came into the Toronto office on April 28, although the second could not have reached Toronto until April 29 if sent by train.

Sin-Mac Lines to Spend $600,000 on New Barges

From Our Own Correspondent

MONTREAL.—The five grain barges ordered by Sin-Mac Lines, Limited, of which two have been completed, will constitute a notable addition to the company's fleet. The barges, made entirely of steel, are full canal size and have a wheat capacity of 113,000 bushels. The total order involves an expenditure of about $600,000.

The new barges have been built without propelling equipment and will be used solely for towing work on the Montreal-Prescott grain service. Length overall is 256 feet and the length of the holds is 206 feet. Construction was carried out by Canadian Vickers.

Operations of Sin-Mac Lines were hampered last year by the lack of shipping activity on the Great Lakes. Net operating profits, however, amounted to $153,571, after deduction of all expenses and provision for depreciation, and a return to normal shipping conditions during the current year should lead to an improvement in earnings.

Quebec Paper Town Sells $345,000 of Bonds

From Our Own Correspondent

MONTREAL. — L. G. Beaubien and Company, Limited, has bought $345,000 of 5½ per cent bonds of the Town of Dalbeau, in the Lake St. John district. This town was founded in 1927 on the initiative of the Lake St. John Power and Paper Company.

It is situated a few miles north of Lake St. John, at the terminus of the Canadian National Railways. The tax at Dalbeau is $2 per $100, schools and all local improvements included.

DOMINION COAL CO. STATUS UNCHANGED BY NEW OWNERS

Something May be Done After Besco Plan Settled

From Our Own Correspondent

MONTREAL.—Though the reorganization plan of British Empire Steel Corp. did not specifically mention Dominion Coal Company, it was previously expected that some arrangement would be made to put this company on a different footing. In a letter mailed to shareholders, President C. B. McNaught, says that the Besco plan will involve no change in Dominion Coal's position; and that the company's bonds and preferred stock now in the hands of the public will remain as they are for the present.

The latter phrase might be taken to indicate that some rearrangement might be effected at a later date. At present Dominion Steel and Coal Corp. holds 2,006 shares of Dominion Coal Company's preferred stock out of a total issue of 30,000 shares, as well as all the common stock. The former is held by Besco and the latter by the Dominion Steel Corporation, both of which concerns will be merged into the new organization.

Earnings Below Dividend

The financial statement, as covered in an earlier issue of The Financial Post, showed net earnings of $200,106, as compared with dividend needs of $210,000 on the preferred stock.

While the results of the past year's operations were not entirely satisfactory. C. B. McNaught points out, there are evidences of improvement both in respect to earnings and to the financial position of the company.

Expenditures for improvement of properties amounted to $514,670 and the amount of bonds secured upon them was reduced by $242,500. Since then there has been a further calling of bonds.

Since the close of the year, negotiations which had been in progress for some time, resulted in an amicable arrangement fixing the rates of wages for two years to come, which the directors hope will prove to the mutual advantage of the company and the employees.

In discussing the outlook for the company, C. B. McNaught, says that the volume of the company's business in the current year is expected to be maintained without material change, although prices still continue to be subject to keen competition.

Further improvements are being made in colliery equipment with the object of reducing cost of production and enabling the company in some measure to meet such competition.

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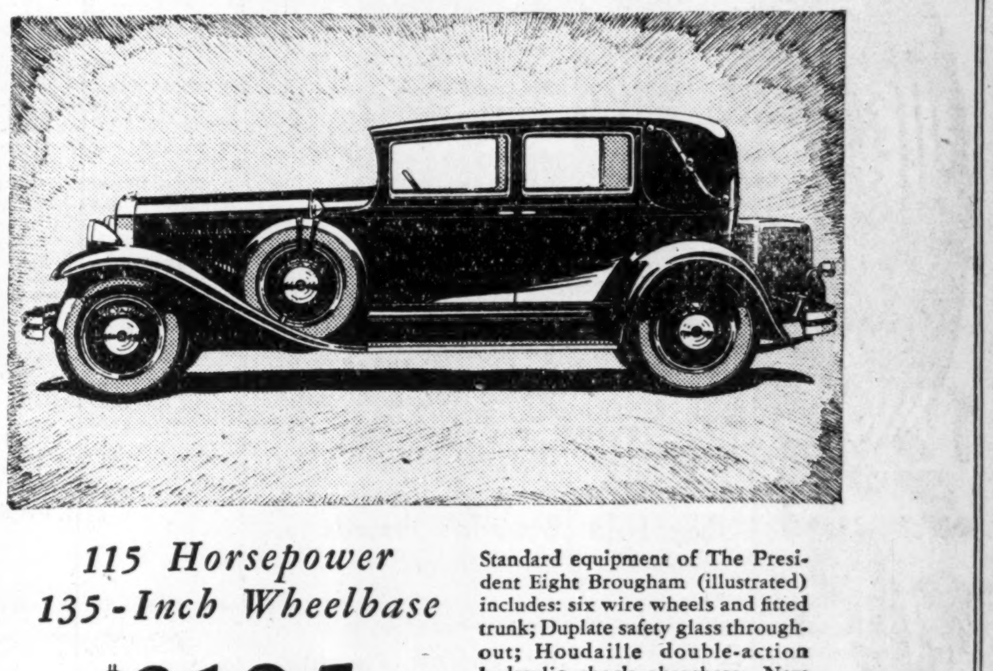

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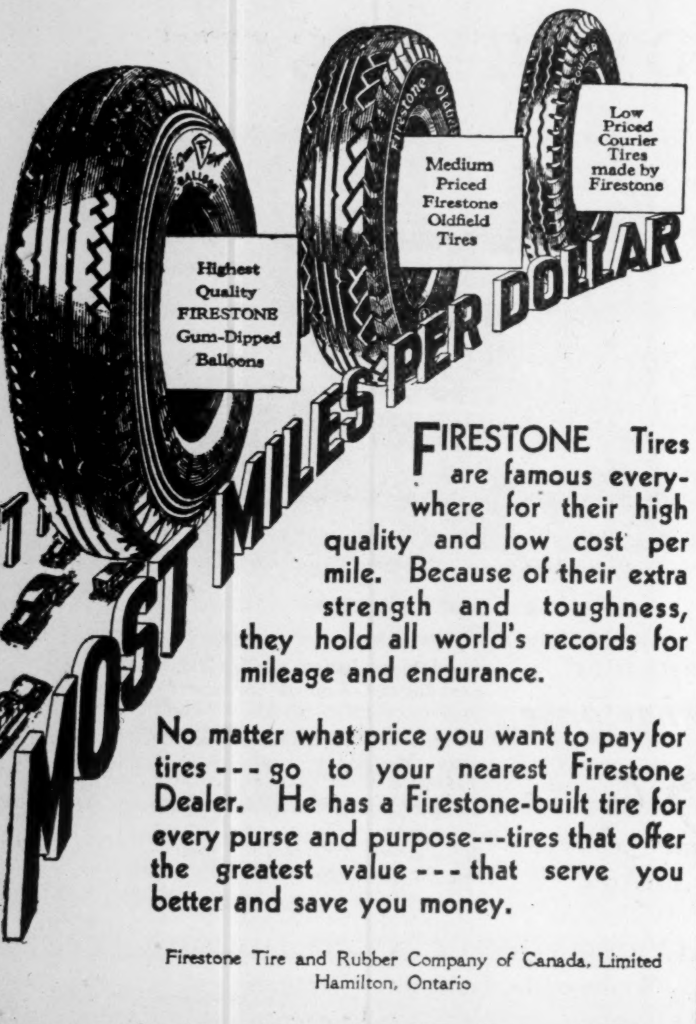
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Public Utility Investments

MONTREAL POWER CUSTOMER STOCK OFFER NEXT JUNE

Big Programme of Extension Will Require Much Capital

From Our Own Correspondent

MONTREAL.—Official offer of common stock by Montreal Light, Heat and Power Consolidated to its shareholders will likely take place in June. Shareholders of the company met this week to approve of the split in stock, offering of rights and shares to customers, etc. Before the customers' offer can be made, sometime will necessarily elapse before terms of the offer are made public.

It is proposed to offer each electric customer the right to take up seven shares of stock and each gas customer the privilege of subscribing to three shares. Those customers taking dual service will be able to take up the full allotment, namely, ten shares.

Though definite ruling has not yet been made, it is understood that payment of the new shares will be much along the lines of the offer made in 1926, when 100,000 shares of stock were offered at $50 a share, with a payment of $2 a share per month spread over two years. The same procedure will likely be carried out this time, with possibly a reduction adjustment in the last payment in lieu of interest allowance on payments made.

40,000 Shareholders Possible

Various estimates have been made as to the number of shares which will be taken up by the customers this year. Over the past five years Montreal Power has greatly added to its list of electric and gas customers. Some of them may not take up stock. Others will want their full allotment and so on. It is estimated, however, that about 20 per cent of the customers will avail themselves of the offer. In that event the shareholders list, which now totals about 27,000, should grow to approximately 40,000.

The company should receive at least $25,000,000 to $30,000,000 of new money as a result of the present issue of additional stock.

Rights are Valuable

An interesting feature of this offering, which has not been commented upon is the position of the customer-shareholder. Where a customer, using the dual service, now owns 5 shares of the old stock, he will receive ten shares of the new stock. Furthermore, he will have sufficient rights to take up one new share at $50 and also will be able to subscribe for ten shares as a customer; in other words, his holding of 5 old shares permits him to take up 11 new shares at $50 each.

Where a customer holds, say three shares shares of the old stock, he will receive six shares of new stock, together with an equal number of rights. To take advantage of these rights to buy new stock, it will be necessary for him to buy 4 rights on the open market at a current cost of about $5.40. With his ten rights he will be able to buy one new share at $50, or a total outlay of $55.40.

Large Capital Outlay

Of the money received by the company $10,500,000 will be used to take up mortgage bonds, maturing at an early date. The balance will be used on capital account. At present the company has in progress construction of an additional 22,500 kw. installation at the Vallee substation; additional 90,000 kw. at the Atwater substation; additional 22,500 kw. at the Beaumont substation; a new station in Montreal East, with a capacity of 30,000 kw. A steel tower transmission line from Cedars via Beauharnois to Atwater substation, Montreal, is to build. Furthermore the company has under way construction of a 10,000,000 cubic feet gasholder, made necessary by the increasing demands of the territory.

In addition to the foregoing, ordinary extensions to gas and electric distribution systems will require at least $2,000,000 per annum in the years just ahead.

Will Maintain Equity

After taking care of the outlay in connection with these developments, it is apparent that the company will have full need of the new capital to be raised from shareholders and customers. Part of this outlay could be met out of surplus income, but the raising of additional capital is undertaken to conserve the company's already strong cash position. Accordingly in the next two or three years the management will put into property a very substantial equity over and above that already present.

Marketwise the stock of Montreal Power has been somewhat weak in the past week in sympathy with the general trend of the market and not due to any weakness in the company's position. With money scarce for stock market operations, some shareholders have been selling their rights, but this will have no effect upon the number of shares to be taken up by shareholders.

Montreal Power Pays 116th Dividend

From Our Own Correspondent

MONTREAL.—The current dividend marks the 116th consecutive payment to shareholders of Montreal Light, Heat and Power Consolidated since the incorporation of the original Montreal Light, Heat and Power Company in 1901. This is a record which is equalled by few Canadian companies, or on the continent for that matter.

At the present time the company's common stock is on a $2.40 dividend basis. It is understood that the new stock, two shares of which represent one of the old now outstanding, will be placed on a $1.50 basis, or $3 for the old shares. In view of the fact that customers are being offered the new stock at $50, the proposed new dividend rate returns a comparatively high yield on the capital investment, especially for a quality stock like that of Montreal Power.

C.N.R. LET CONTRACT ON TERMINAL PLAN

Buildings on Site to be Torn Down by July 1

From Our Own Correspondent

MONTREAL. — Contracts have been let by the Canadian National Railways on the demolition of buildings in the Central station area of the company's new Montreal terminal. The work will be started immediately and in the case of ten of the properties is to be completed by June 15, while the balance are to be demolished by July 1.

Considerable interest attaches to the progress of the terminal plans as the contract work will be of great value to various Montreal and outside companies. Several thousand tons of structural steel will be required for building, etc., and in this line Dominion Bridge expects to benefit. Interprovincial Brick will likely share in the contracts for brick, many millions of which will be used.

Benefit Many Companies

Stone companies will also share in the work to no small extent. There is almost an endless variety of materials to be supplied for the new terminal. While Dominion Bridge and some of the other organizations stand to benefit most from the work, there will be sufficient contracts to go around among a large number of manufacturers.

Just when the company will place orders for steel, stone, brick, piping, etc., is now known. It is understood that tenders have only been let on the demolition work. Later on this year, it is possible that the Canadian National Railways will begin to let contracts to builders, supply houses and manufacturers.

New Brunswick Telephone Interested in New Channel

From Our Own Correspondent

MONTREAL. — American Telephone & Telegraph Co., through its subsidiary, the Eastern Telephone & Telegraph Company, will undertake shortly the construction of a New Brunswick link in the Calais, Me., to Halifax extension. Rights of way and options thereon are now being acquired by the promoters of the undertaking, which will connect the large United States communication system with the British Isles by cable, to be laid out at Halifax.

The communication lines will run through Charlottetown, St. John, Albert and Westmoreland Counties, to Nova Scotia, the section to the south in New Brunswick, amounting to some 225 miles. Actual extension of the lines is being undertaken by the New Brunswick Telephone Company on a mileage basis, and its officials will be in charge of construction.

Calgary Power Completing High Power Line to North

From Our Own Correspondent

MONTREAL. — Calgary Power Company's 132-kv. transmission lines from the Ghost line to Edmonton, the additions of 182 miles, is nearing completion and is expected to be in operation early in May. In addition to providing an outlet for power to Edmonton, this line will make hydro-electric energy available for the northern part of the company's system, now supplied by isolated steam plants, or by power purchased.

The company now has in operation or nearing completion 1,695 miles of transmission line, of which 180 miles is 132-kv. line, and 400 miles is operated at 66 kv.

New Can. Utility Company Operates at Moose Jaw

Financing will be undertaken, within a short time, of a Canadian company which will own and operate the electric power and light system of the city of Moose Jaw which was recently sold to a private company having a long experience in the operation of public utilities. It is understood that the Canadian company will acquire other public utilities other than those of Moose Jaw and this action is in line with the trend toward private ownership of public utilities in western Canada.

Public financing of the new company will be undertaken by a Toronto investment house. It is understood that the city, which is the largest in Saskatchewan, will at once undertake a campaign to attract additional industries.

Sound Pictures Bring Business To Producers

From Our Own Correspondent

MONTREAL.—Any doubt of the popularity of the sound and talking pictures is readily dispelled by an examination of the theatres in Canada now equipped with Northern and Western Electric equipment.

On April 15 last, there were 239 theatres completely wired for Northern Electric sound systems and many more on the waiting list. The same system has been placed in 5,500 theatres in 45 foreign countries, and the leading producers of sound and talking pictures have equipped their studios with sound recording apparatus of the same make.

At present sound equipment is installed in theatres in every province of the Dominion: Prince Edward Island has one sound installation; Nova Scotia, 17; New Brunswick, 12; Quebec, 43; Ontario, 96; Manitoba, 17; Saskatchewan, 14; Alberta, 12; and British Columbia, 24.

By cities, some interesting figures are recorded in respect to the Northern and Western equipment: Halifax has 4 installations; Saint John, 4; Montreal, 21; Quebec, 4; London, 4; Toronto, 33; Ottawa, 6; Hamilton, 3; Sault Ste. Marie, 3; Winnipeg, 17; Saskatoon and Moose Jaw, 2 each; Regina, 5; Edmonton, 7; Calgary, 2; Vancouver, 14; and Victoria, 1.

Bell Telephone Opens 16th Line to Toronto

From Our Own Correspondent

MONTREAL. — An additional long distance circuit providing direct telephone communication between Montreal and Toronto has been opened.

The cut-in of this new talking channel marks the opening of the sixteenth direct link between these two cities and has been made necessary by the increasing use of long-distance over this route.

In the neighborhood of 800 telephone conversations passed between Montreal and Toronto on the average day during the first quarter of this year. This shows an increase of 27 per cent over the average for the same period in 1929. Coincident with this increase, there has been a general speeding up of long distance service, which should show an even more favorable result with the additional circuit now available.

The new Montreal-Toronto line is an important part of the company's big construction programme for 1930 in Quebec and Ontario. Approximately $11,000,000 is being expended this year for long distance lines and apparatus throughout the two provinces, and something like 29,500 miles of talking channels will be added to the system.

Southern Canada Power Secures Another Industry

From Our Own Correspondent

MONTREAL. — Another American branch plant has been secured for the Industrial territory served by Southern Canada Power Corporation. The American Wringer Company has completed negotiations with the Steadman Rubber Flooring Company, Massachusetts, whereby the former will manufacture rubber floors in the building adjoining that in which they are now making rubber-covered rolls for the pulp, paper, textile and washing machinery trade.

There are also several other important projects under way, such as construction work on the Barry, Ostlere and Sheperd plant at Farnham, linoleum manufacturers. Work is also progressing rapidly on the plants of the Dennison Manufacturing Company of Canada which is located at Drummondville.

BORDER CITIES CO. MAKES ASSIGNMENT

President J. Fletcher Gundy Says Bonds of Company Are Well Secured

Voluntary assignment by the Border Cities Company at Windsor on April 23 was accompanied by a statement from J. Fletcher Gundy, president, that operations in 1929 were the most successful in the history of the company, land sales alone totalling $8,000,000. He said that assets would exceed liabilities by $1,500,000 and that, the assignment had not been caused by a decline in real estate values but by the recent depression and the action of a few creditors.

To holders of the company's 6½ per cent first mortgage bonds the most interesting part of Mr. Gundy's statement was the expression of his opinion that "the first mortgage sinking fund bonds of the company are well secured and that the interests of property purchasers are not in jeopardy." He placed the assets at $4,600,000, taking lands at list prices, and the liabilities at $2,850,000.

The company had offices at Toronto, Cleveland, Detroit and Toledo as well as in the Border Cities.

Charles Gurd Outlay on Plant Large Since 1927

From Our Own Correspondent

MONTREAL.—Since the reorganization of Charles Gurd & Co. in 1927, approximately $200,000 has been spent on capital expenditures for a new factory building, new machinery and new rolling stock. In a circular letter sent forward to shareholders, President Murphy pointed out that the company is now in its 63rd year. In connection with various rumors of spectacular expansion he says "your directors feel it but fair to say that none of the various rumors are authorized." He goes on to say that the management has consistently been seeking new outlets for the company's products both in Western Canada and for export.

The company intends, from time to time, when conditions permit, to redeem the outstanding preferred stock which is redeemable at $110 per share. Three hundred shares are being called on July 1 next.

K. S. Barnes Retires from Montreal Investment House

From Our Own Correspondent

MONTREAL. — Announcement is made of the retirement of K. S. Barnes from the firms of Flood, Barnes & Co., investment bankers, and Flood, Potter & Co., members of the Montreal Stock Exchange and Montreal Curb Market.

Mr. Barnes retires to look after his own interests and the interests of several investment companies with which he will be associated.

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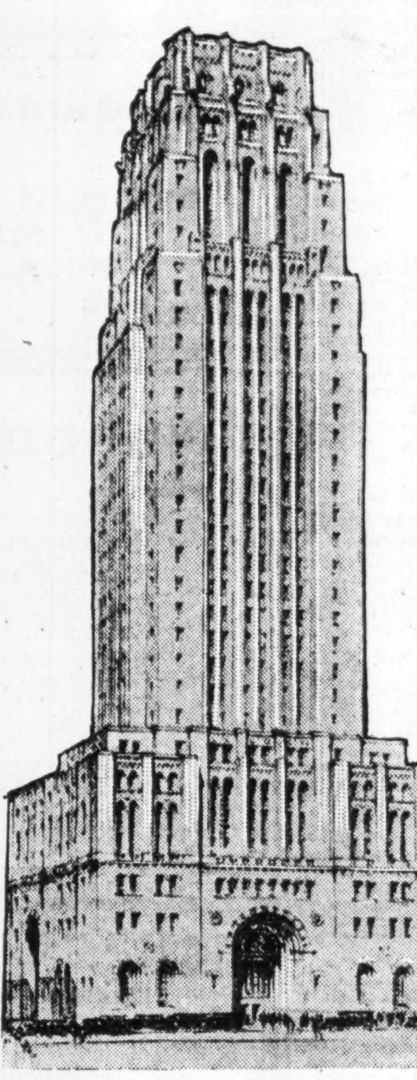

Canadian Bank of Commerce New Head Office Building

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The Canadian Bank of Commerce, originally chartered in 1858 as the Bank of Canada, commenced business in 1867. Its paid-up capital in 1868 of $916,359 and total assets of $2,997,061 has grown to a capital of $29,798,000 and total assets of $801,000,000.

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Also
HOTEL QUEBEC, Bryanston St., London, W.1 (100 rooms).
HOTEL SEYMOUR, Seymour St., London, W.1 (100 rooms).
All bedrooms and suites fitted running water, gas fires or central heating, and telephones. Terms: Bedroom, Breakfast, Bath and attendance from $2.60 per day. Luncheon 90c. Dinner $1.25.
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Investment Securities

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Favourable Buying Opportunities

Owing to the recent sharp decline in security values, most standard issues are available at the present time on more attractive terms than at any time since the beginning of the year. We have discussed the present market situation, as well as the position of the following companies, in special circulars.

Brazilian Imp. Oil
British Amer. Oil Int. Nickel
Can. Car & Foundry Montreal Power
Dom. Bridge Power Corp.

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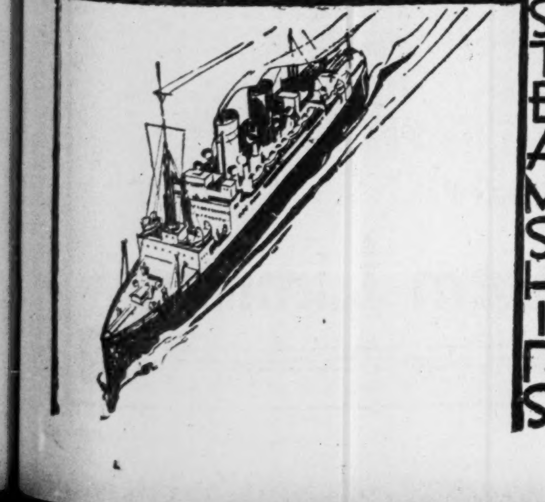

News of Investment Markets

CANADIAN COPPER REFINER'S BONDS OFFERED AT PAR

Plant Will Operate on Noranda and Flin Flon Production

Financing for Canada's third copper refinery is announced with the offering of $2,500,000 6 per cent first mortgage bonds of Canadian Copper Refiners, Ltd., the common shares of which are owned by Noranda Mines, Ltd., British Metal Corp., and Nichols Copper Co. The refinery, which will have a rated capacity of 75,000 tons of refined copper per annum, will be ready for operation in January 1931, and is to be located in Montreal East, Quebec. The bond issue is unconditionally guaranteed by Noranda Mines, Ltd.

The refinery will permit copper mined in the Rouyn district to be refined in this country rather than abroad. Noranda is expected to provide not less than 50,000 tons annually and the Hudson Bay Mining & Smelting Co. has contracted for the treatment of not less than 15,000 tons of blister copper per annum for a period of years to come from the Flin Flon properties.

Should any additional funds be required to complete the refinery, the three companies controlling the common stock have agreed to provide the required amount through purchase of additional common stock at $100 per share. Details of the issue follow:

Canadian Copper Refiners Limited
First Mtge. S.F. Gold Bonds, 6%, Series "A"
Dated—May 1, 1930; due, May 1, 1945.

Denominations—$1,000 and $500, registerable as to principal only; or, fully registered bonds in multiples of $1,000.

Interest—6% per annum payable half-yearly, May and November 1, at the Royal Bank or its agency in Toronto, Montreal, Winnipeg, New York and London.

Redeemable—At any time, on option of company on 60 days' notice, at 105 on or before May 1, 1933; thereafter at 104 to May 1, 1936; thereafter at declining premium of ½ of 1% for each year to May 1, 1942, and thereafter at 101 if redeemed before maturity.

Sinking Fund—Annual, cumulative, commencing May 1, 1932, sufficient to retire all Series "A" bonds by maturity.

Security—A direct obligation of the company, secured by a first mortgage, hypothec and charge on all the company's fixed assets, now owned or hereafter acquired, including real estate, buildings, plant and equipment. All assets, present and future, not covered by the fixed charge will be covered by a first floating charge. Unconditionally guaranteed as to principal, sinking fund and interest by Noranda Mines, Ltd.

Capitalization—(On completion of present financing).

	Authorized	Outstanding
First Mtge. Bonds	$5,000,000	$2,500,000
Com. no par value	20,000 shs.	10,000 shs.

Note—Noranda Mines Ltd., British Metal Corp. and Nichols Copper Co. have paid for or subscribed to 10,000 common shares at $100 per share and have further agreed that in the event of further financing being necessary to subscribe for additional common shares at $100 per share.

Offer—$2,500,000, in May, 1930, at 100, by Wood, Gundy & Co.

This Week's Bond Sales

CITY OF REGINA

Gairdner & Co., and C. H. Burgess & Co., were awarded $614,970 5% debentures of the City of Regina on May 1 at 97.323, a cost basis to the city of approximately 5.22%. Debentures are payable in Canada and mature in 15, 20 and 30 years. Tenders were in terms of payment in Canada only or in Canada and the United States, and were as follows:

	Payable: Can.	Can. & N.Y.
1. Gairdner & Co., C. H. Burgess & Co.	97.323	97.532
2. Wood, Gundy & Co.	97.28	97.53
3. Bank of Montreal, Fry, Mills, Spence & Co.	97.125	....
4. A. E. Ames & Co., Royal Bank	....	97.21
5. McLeod, Young, Weir & Co., Bell, Gouinlock & Co.	....	96.80
6. Dominion Securities Corp., Bank of Nova Scotia	....	96,657

SISTERS OF CHARITY OF QUEBEC

Bids for the issue of $550,000 5% debentures of the Sisters of Charity of Quebec which was secured by Wood, Gundy & Co., on April 29 are as follows:

1. Wood, Gundy & Co., Royal Bank	98.30
2. A. E. Ames & Co., Banque Canadienne Nationale	97.92
3. General Bond Corp.	97.15
4. Credit Anglo Francais	97.12
5. McLeod, Young, Weir & Co.	96.91

Cost basis was 5.16%.

PROVINCE OF ALBERTA

Subsequent to the postponement of the sale of $2,900,000 4½% 30-year debentures for which tenders had been called for April 30, the Province of Alberta sold an issue of $5,000,000 4% treasury bills to a syndicate composed of Wood, Gundy & Co., A. E. Ames & Co., Dominion Securities Corp., and the Imperial Bank. The issue is payable in New York on November 1, 1930, and is dated May 1.

MONTREAL R. C. SCHOOL COMM.

A syndicate comprised of Wood, Gundy & Co., Royal Bank, Greenshields & Co., and Société des Placements was awarded the issue of $1,500,000, 5 per cent, 40-year debentures of the Montreal Roman Catholic School Commission, on which tenders were called for May 6. The issue was sold at 99.437, a cost basis to the commission of 5.03 per cent. Six bids were entered as follows:

1 Wood, Gundy & Co., Royal Bank, Greenshields & Co., and Société des Placements	99.437
2 Fry, Mills, Spence & Co., and Bell, Gouinlock & Co.	99.42
3 Hannaford, Birks & Co.	99.38
4 Bank of Montreal, McLeod, Young, Weir & Co., and L. G. Beaubien & Co.	99.357
5 A. E. Ames & Co., Dominion Securities Corp., Hanson Bros., and Banque Canadienne Nationale	99.027
6 R. A. Daly & Co., Gairdner & Co., Matthews & Co., and Bank of Nova Scotia	98.838

Bond Redemptions

	Rate	Due	Redeem.	Price
Bond Issues—				
Wabasso Cotton	*6	1947	June 1	105
Le Credit Municipale Can.	7%	20-yr.	July 1	100
Brazeau Coll.	*7%	15-yr.	July 1	...
Calgary Power	5	1940	July 15	105
Buffalo & Fort Erie Bridge	*7%	1955	June 1	107½
Imp. Realty	*6%	1945	July 1	103
Can. Electric	6½%	25-yr.	Sept.	105
United Steel Wks.	6½%	1951	June 1	100
Stock Issues—				
Chas. Gurd	*Pref.		July	110
Foreign Issues—				
Belgium	7½	1945	June 1	115
Belgium	7	1955	June 1	107½
Peru	*6%	1960	June 1	100
Poland	*8%	1950	July 1	105
Chile	*6%	1961	July 1	100

* In part.

ARRANGE FINANCING TO BUY PAPER STOCK

Offer Preference Shares of Old-Established B.C. Supply House

Offering is being made of $300,000 7 per cent cumulative redeemable first preference shares of Smith, Davidson & Wright Ltd., an old-established paper and printers' supply house with head office in Vancouver and branches in British Columbia, Alberta and Saskatchewan. The proceeds of the issue will be used to purchase 15,000 common shares of Westminster Paper Co. and for additional working capital to provide for expansion.

The company on completion of financing will have fixed assets of $278,292; investments of $181,225, including 15,000 shares of Westminster Paper, 147 shares of Pioneer Envelopes and 166 shares of Stanley Paper Co.; current assets of $610,076, of which $342,879 is in inventories and $118,821 is cash; and deferred charges of $4,846 for a total of $1,074,438 assets. Current liabilities amount to $281,521; mortgages, $78,444 and surplus, $114,474. Details of the issue follow:

$300,000
Smith, Davidson & Wright Limited
7% cumulative, redeemable first preference shares

Company: Incorporated 1907 and carries on the business of paper, stationery and printers' supply house with head office in Vancouver and branches in Calgary, Edmonton, Saskatoon and Victoria.

Capitalization: (On completion of present financing)—

	Authorized	Issued
7% 1st pref., $100 par	$500,000	$300,000
2nd pref., $100 par	500,000	300,000
Common, n.p.v.	18,000 sh.	13,000 sh.

Dividends on First Preferred: 7 per cent per annum, cumulative, payable quarterly 1 July, Oct., Jan. and April, at any branch of the Royal Bank of Canada.

Callable: In whole or in part on 3 days' notice at $105 on any interest date.

Sinking Fund: One quarter of net profits remaining after payment of dividend on first preferred shares.

Purpose of Issue: Proceeds to be used to purchase 15,000 shares of Westminster Paper Co. common stock and to supply additional working capital for expansion and liquidation of bank loans.

Security: Average earnings for past 4 years, available for income taxes, depreciation and dividends, $50,293. No senior securities can be issued by the company ranking prior to the first preferred stock except with the consent of two-thirds of the first preference shareholders.

Offer: $300,000, April, 1930, at par including a bonus of one common share with each first preference share, by Royal Financial Corp.; Victor W. Odlum, Brown & Co.; Pacific Stock & Bond Corp., Ltd.; Western City Co.; Robb, Robertson & Birch; W. Ross Alger Corp.

Anglo-American Royalties Units Are Offered Publicly

Financing for Anglo-American Royalties & Shares Corp. is being offered publicly in the form of units consisting of 1 debenture having a par value of $10 and 1 class A common share of no par value. The corporation will invest in oil royalties to the extent of 50 per cent of its capital, at least, and will also invest in Standard Oil Securities, Details of the offering follow:

Anglo-American Royalties and Shares Corp.
$1,500,000 7½% 15-year convertible, gold debentures ($10 par) 150,000 shares of class "A" common (no par value).

Company—Organized in Canada to buy oil and gas royalties, Standard Oil securities. Company will invest 50 per cent of its capital in oil royalties.

Capitalization:	Authorized	To be issued
7½% 15-yr. convert. gold debs., $10 par	$1,500,000	$1,500,000
Class A common, n. p. v.	*450,000 sh.	150,000 sh.
Class B common, n. p. v.	150,000 sh.	150,000 sh.

*300,000 shares held in treasury for conversion of debentures.

Conversion—Debentures are convertible at option of holder at any time prior to January 2, 1933, into 2 class "A" common shares for each $10 par value of debentures.

Class "A" common—Shares are entitled to a preferential non-cumulative dividend of 60 cents per annum. After payment of 60 cents per share per annum to class "B" common shares the "A" and "B" stock participate on a share for share basis in any further payment of dividends.

Offer—$1,500,000 debentures and 150,000 shares of class "A" common in units of 1 debenture of $10 par value and 1 class "A" common share, at $13.50 per unit, by First National Corporation of Canada, Ltd., Toronto.

REALTY BONDS SELL

The $1,200,000 issue of 6½ per cent first mortgage bonds of the London Realty Co. which were recently offered to the public are reported to have met a ready demand.

Construction of an addition of 120 rooms to Hotel London made possible by the financing is now under way and is scheduled for completion in January, 1931.

TAKES LARGER OFFICE

First National Corporation of Canada, Ltd., has acquired larger office accommodation in the Star Building, Toronto. The corporation is currently offering debentures of Anglo-American Royalties & Shares Corp.

WESTEEL PRODUCTS
For Modern Buildings
WESTERN STEEL PRODUCTS Limited
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ITALO-ARGENTINE MAKES OFFERING AMERICAN SHARES

Supplies Power to Buenos Aires and Environments

From Our Own Correspondent

MONTREAL.—An offering of 50,000 American shares of capital stock of Italo-Argentine Electric Company is being made by Nesbitt, Thomson & Co., Limited, in participation with A. Iselin and Company, New York, and E. H. Rollins & Sons, Limited. Italo-Argentine Electric Company, operating in South America, furnishes a large part of the electric light and power consumed in the city of Buenos Aires and surrounding districts.

The company operates under a concession extending to 1962, and owns and operates coal and oil-burning turbine plants with an installed capacity aggregating 134,000 h.p. Its distributing system comprises 2,190 miles of transmission lines. To provide for growing demands for electricity, the company is erecting a new plant which will have an ultimate capacity of 402,000 h.p., of which 134,000 h.p. should be completed and in operation by 1932. During the past eight years, output of power has increased 82 per cent from 79,000,000 kw.h. in 1921 to 144,000,000 kw.h. in 1929.

Italo-Argentine Electric Company is controlled by Motor Columbus Corporation for Electric Enterprises and Swiss-American Electric Company, which hold a majority of this outstanding capital stock. Its capital stock is listed on the Zurich, Basle and Geneva stock exchanges; each American share represents one share of the company's capital stock, having a par value of 100 Argentine pesos.

Following are details of the issue:

50,000
American Shares
Italo-Argentine Electric Company

Each share represents one share of capital stock having a par value of 100 Argentine pesos. Exchangeable after October 1, 1930, into capital stock.

Capitalization:	Authorized and to be Issued
Capital stock, 100 pesos par.	65,000,000 pesos

Company: Supplies electric light and power in Buenos Aires, and surrounding districts.

Property: Owns and operates steam turbine plants with installed capacity of 134,000 h.p., and transmission lines of 2,190 miles.

Earnings: Net earnings for past seven years averaged $1,788,546.

Dividends: Paid since 1917 and since 1922 at the rate of 10 per cent. Equal to $3.85 per American share at current rates of exchange.

Offered: May, 1930, by Nesbitt, Thomson and Company, Limited; E. H. Rollins and Son; and A. Iselin and Company, New York, at 78.

Bond Tenders

May 9, Edmonton R. C. S. S. Dist. No. 7—Alternate tenders called on not less than $110,000 or more than $125,000, 40-installment debentures, 5 per cent or 5½ per cent. A. A. O'Brien, sec.-treas.

May 10, Twp. of Harwich—$44,795, 6%, 10-install. bonds. J. George Riseborough, twp.-treas., Blenheim.

May 10, Lethbridge—$75,000, 5½%, 10 and 25-year.

May 12, School Municipality of Grand' Mère—$45,000, 5 per cent, 30 year serial bonds. A. Desilets, sec.-treas.

May 19, Three Rivers—$2,377,600, 5 or 5½% bonds as follows: $1,839,500, 40-yr. dated May 1, 1928; $45,000, 30-yr. dated Nov. 11, 1928; $35,700, 30-yr. dated May 1, 1929; $132,400, 30-yr. dated Nov. 1, 1929; $225,000, 20-yr. dated Nov. 1, 1929; $100,000, 40-yr. dated Nov. 1, 1929. Jacques Denechaud, treas. (See announcement on page 12).

May 28, City of Shawinigan Falls—$29,500, 5% 29-yr. serial bonds. A. R. Meldrum, sec.-treas.

June 30, Town of Raymond, Alta.—$10,000, 6%, 20-installment debentures. O. H. Snow, sec.-treas.

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Chicago Stock Exchange
Detroit Stock Exchange
Philadelphia Stock Exchange
Cincinnati Stock Exchange
New York Cotton Exchange
Chicago Board of Trade
New York Curb Market
CLEVELAND
NEW YORK CHICAGO

Associated Telephone Co. Stock Sold in Canada

From Our Own Correspondent

MONTREAL.—An offering of 10,000 shares of Associated Telephone and Telegraph Company six dollar preferred stock is being made by W. C. Pitfield and Co.

Associated Telephone and Telegraph Company represents an alliance of American and British financial and operating interests in the telephone business and allied industries. Among the companies controlled is the British Columbia Telephone Company, while other companies include the Automatic Electric Incorporated, Automatic Telephones, Limited, Compania Telephonica de Barranquilla and the new Antwerp Telephone and Electric Works.

In addition to these, the company and its British association control the Anglo-Portuguese Telephone Company, Automatic Telephone Manufacturing Company, and others.

Following are details of the issue:

10,000 shares
Associated Telephone and Telegraph Co.
Six Dollar First Preferred Stock
(Redeemable at $115 a share at 30 days' notice)

Capitalization:	Authorized	Issued
$6 1st pref. n.p.v.	100,000 sh.	28,500 sh.
7% 1st pref. $100 par	100,000 sh.	34,682 sh.
Class D stock, n.p.v.	50,000 sh.	44,329 sh.
Class A stock, n.p.v.	200,000 sh.	*92,084 sh.
Comon stock, n.p.v.	400,000 sh.	356,452 sh.

*Does not include 15,000 shares held for stock purchase warrants.

Business: Company controls telephone companies, telephone equipment manufacturing companies and allied concerns.

Earnings: Net income available for dividends on first preferred, after depreciation and taxes, for 1929, was five times requirements.

Assets: Consolidated assets at Dec. 31, 1929, were $68,289,198; net assets equal to $268 a share on the first preferred stock outstanding.

Stock Prices Warrants: First preferred carries non-detachable warrant to purchase class "A" stock at $57.50 a share on or before July 31, 1930, on basis of one class "A" for two first preferred.

Participating Feature: Class "A" stock entitled to cumulative dividends of $4 a share before dividends may be paid on the common, and is entitled to participate with common to an additional $2 a share annually.

Offered: May, 1930, by W. C. Pitfield and Company, at 96 to yield about 6.25 per cent.

Fox Film Financing Is Offered in Canada

Short term financing for Fox Film Corp. in the form of 6 per cent secured gold notes maturing in one year is being offered, in part, in Canada. The financing arises from the recent reorganization of the company which is one of the largest in the motion picture industry. Consolidated earnings of the corporation and its subsidiaries, which would have been available for interest requirements on the present issue, after maintenance, taxes, depreciation, amortization and other deductions are reported at $13,966,355 in 1929.

Details of the issue follow:

$55,000,000
Fox Film Corporation
Secured 6% Gold Notes

Dated—April 15, 1930; due, April 1, 1931.

Denominations—Coupon notes, registerable as to principal only, $1,000, $5,000 and $10,000. Payable in New York.

Company—Engaged in the production, distribution and exhibition of motion pictures.

Security—A direct obligation of the company, specifically secured under trust indenture by pledge of 660,900 shares of common stock of Loew's Inc. and all capital stock of United American Investing Corp.

Offer—$55,000,000, May, 1930, at 100, by Halsey, Stuart & Co.

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Offices in New York, Chicago, Washington, San Francisco, Seattle, London, Manchester, Amsterdam, Geneva, Tokyo and more than fifty other cities of importance

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Organize Potato Club

Halifax, N.S. — Encouraged by the success of boys and girls stock clubs throughout the province, in the raising of better herds, for the past nine years, a series of junior potato clubs is being organized this year under government auspices.

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Cleans without taking apart

NEW GILLETTE BLADE and RAZOR

SHORTEN your daily shaving time, no more wiping—no more cut towels

YOUR work ends when your shave ends, with this New Gillette Blade and Razor. Simply turn guard at right angles, retighten, rinse under hot running water and shake dry.

This one improvement alone is worth the price of the New Gillette. Yet it is only one of many pleasing changes that you'll find in this new razor and blade.

"Razor pull," for instance, won't bother you any more. The New Gillette prevents it for two reasons: First, the corners of the razor are reinforced with sturdy lugs of extra metal that stand a lot of abuse. Second, even if you should dent these lugs the blade is no longer held at the corners, so no harm results from dropping. Look at the new blade, and note how the corners are cut out.

Note too that the new blade ends are square, not round, for safer handling with wet fingers and easier shaving around mouth, nose and ears.

The price of the New Gillette Razor, gold-plated, cased in a beautiful box, and equipped with New Gillette Blade is one dollar. The New Gillette Blade is one dollar for ten and 50c for five.

QUICK FACTS
1. New blade can be used in your old Gillette
2. New processed steel, new blade resists rust
3. Cut-out corners of blade prevent "razor pull"
4. To clean, turn guard at right angles . . . then re-tighten . . . rinse . . . shake dry
5. New shape guard channel gives full shaving clearance
6. New shape guard teeth meet skin smoothly, naturally
7. No projecting posts to dull blade edges
8. Reinforced razor corners prevent damage if dropped
9. Square blade ends safer to handle
10. Shaves easier around mouth, nose, ears
11. New blades same price as old
12. New razor, gold-plated, with one new blade, in case, $1.00

Visit the nearest Gillette dealer today. If his stock of new razors is temporarily exhausted, you can use the new blade in your old Gillette.

GILLETTE SAFETY RAZOR CO. OF CANADA, LIMITED, MONTREAL

THE NEW GILLETTE RAZOR, gold-plated, in beautiful case, complete with New Gillette Blade .... Price $1.00
Other De Luxe models from $5.00 to $75.00
PAT. 1920. NO. 203578. OTHER PATENTS PENDING.

Gillette

NEW
Gillette
BLADE
TRADE MARK REG. CAN.

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Basis
Regina	May	Gairdner & Co. and C. H. Burgess	5%	15, 20, 30-yr.	$614,970	97.323	5.22
Montreal R. C. Schools	May	Wood, Gundy & Co., Royal Bank, Greenshields & Co., Société de Placements	5%	40-yr.	1,500,000	99.437	5.03
Provincial—							
Alberta (treas. notes)	May	Wood, Gundy & Co., A. E. Ames & Co., Dominion Securities Co., Imperial Bank	4%	6 Mos.	5,000,000	....	...

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues	Date Issued	Offered by	Rate	Due	Amount	Offered	Yield
Can. Copper Refiners	May	Wood, Gundy & Co.	6%	1945	$2,500,000	100.00	6%
Fox Film Corporation	May	Halsey, Stuart & Co.	6%	1931	55,000,000	100.00	6%
Anglo-American Royalties & Shares	May	First National Corp. of Canada	7½%	15 yr.	......	....	....
(Offered in units of one $10 debenture and one Class "A" common share, $13.50 per unit.)							
Stock Issues—							
Associated Tel. & Tel. Co.	May	W. C. Pitfield & Co.	....	1st Pref.	10,000 shs.	96.00	6.25%
Italo-Argentine Electric Co.	May	Nesbitt, Thomson & Co.	....	....	50,000 shs	....	....

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THURSDAY, MAY 8, 1930

WHEAT TO-MORROW

CANADA'S future in wheat is a topic of most absorbing interest at the present time. The farmers of the prairie provinces, undaunted by the unsatisfactory results from last year's harvest, have increased their acerage, planted more wheat and are hoping to harvest at the minimum a fair crop and, possibly, a very large crop. There is nothing to indicate that they will market this crop at much above the present levels. In other words, we are facing a large addition to our wheat stocks without the assurance of the prices we have enjoyed recently. Certainly present price levels seem unpromising when compared with the returns Canadian farmers have had for their wheat over the term of the war and post-war years. Prices are at least 50 cents a bushel below the post-war average.

There seems to be a great deal of wonderment as to whether or not wheat can be profitably grown as Canada's greatest cash crop if it must be sold at a price that nets the farmer at his country shipping point only 80 to 85 cents per bushel for the highest grade and considerably less for the average grade produced over a term of years. This is one of our wheat riddles. There are other important questions with regard to Canada's wheat future that are under discussion by students and economists. There is the question of how Canada can meet the competition of substitutes for wheat. There is the question of how we can surmount the tariff barriers recently raised in many foreign countries. There is the question of how we can export to countries that realize that their very economic future depends upon a reduction in their imports of foreign goods. There is the question of how we are going to get back to sounder methods of marketing. There is the question of how we are going to take wheat marketing out of politics.

This editorial is too brief an instrument to answer such complex and difficult problems. Much light upon all of them is thrown in the authentic and studiously prepared articles in the grain supplement of The Financial Post that is sent to each reader with this week's issue.

Those who peruse these articles will observe an encouraging note that is sincerely sounded. If we can maintain free and open world markets for wheat, if we can, by mechanization of farms, by study of wheat varieties and in other ways, maintain our producing cost upon a competitive basis, we may face the world wheat situation with equanimity. There are many serious aspects to the wheat problem at the present time, but none of them represent insurmountable problems. In the few years since 1910 we have raised this country to a position of paramount importance in the world's wheat trade. It is essential to our prosperity that we should retain this position for many years to come. Those who read through the grain supplement with care will inevitably come to the conclusion that we can with confidence face our wheat future if at the same time we face it with sincerity and sanity.

EDITORIAL NOTES

WITH the Tories in Ontario providing a bounty on iron ore and the Grits at Ottawa higher steel duties, Sault Ste. Marie should be a shining spot on the map of Canadian business.

* * *

WHEN The Financial Post suggested sane investment in our leading industrial, railway and public utility corporations, the Northern Miner asked, "and not in our leading mining corporations?" In turn, we ask: doesn't the Northern Miner consider mining an industry.?

* * *

TYPICAL of the insincere and strictly political comment that follows every budget, in opposition papers, are two stories in a Toronto Conservative daily. One article complains that the new fruit and vegetable duties are not high enough to make any difference. The other says that importers will be ruined by the increased duties they will have to pay.

Mr. Dunning's First Budget Proves Generally Popular Despite Serious Omissions

OPINIONS gathered by members of The Financial Post organization, which are confirmed by individual expressions through the daily newspapers, indicate that Mr. Dunning's first budget, as a whole, is one of the most popular in the history of the country.

When Charles A. Dunning was appointed Minister of Finance, The Financial Post expressed the viewpoint that Canadian business men need have no fears of tariff slashing or other broad fiscal measures injurious to business. Mr. Dunning's first budget confirms this forecast. It represents a sincere attempt by Mr. Dunning to achieve certain objectives for the general welfare of all. The budget announcements are not entirely satisfactory to business, but they are reasonable and have obviously been presented in a fair spirit, uninfluenced by purely sectional consideration. Several groups in the country have been asked to make certain sacrifices; some groups have been given certain benefits, the apparent purpose being to achieve the greatest good to the greatest number. To the extent that it is a political budget, designed for election purposes and therefore more popular than practical in appeal, the budget may be subjected to some criticism. But it should be remarked that the electioneering features of the budget are more innocuous than is usual in pre-election budgets. Throughout the whole document runs the note of sincerity of purpose and that purpose is not merely the winning of an election.

Possibly the most significant feature of the tariff changes is the indication it gives that Mr. Dunning will rely more largely than his predecessor upon the advice of the tariff advisory board. Mr. Robb appointed the tariff board, but paid little attention to it, leaving the impression that it existed chiefly as a buffer between himself and claimants for tariff changes. But the tariff advisory board is no pigeon-hole for Mr. Dunning. From the changes announced one can see that many cases brought before the board have received careful consideration. The importance of this to Canadian business cannot be exaggerated.

* * *

British Preference is Magnificent But Mistaken Gesture

The extensions to the British preference appear to be generally harmless. It will, however, take more than a single year to determine their effect on Canada's trade within the British Empire or on our imports from the United States. As a piece of good politics for Canada and the Empire it is probably one of the biggest popular publicity stunts that has ever been attempted. Nevertheless, in its manner of widening the scope of the British preference, the government has made the same mistake that was made by Sir Wilfrid Laurier, a mistake that was not in the original Laurier-Fielding policy at all. Mr. Dunning has refused "to meet the other countries of the British Commonwealth of Nations in a spirit of petty bargaining." But this is pure sophistry and unsound political economics. A permanent structure of Imperial trade can only be built by a system of preferential agreements which provide equal benefits to all parties. While it is the intention of Mr. Dunning to divert to Great Britain trade now going to the United States, he must realize that this cannot be done without at the same time setting up new and serious competition for Canadian producers. The British preference increases are a magnificent gesture of broad Imperialism, but they would have been much more valuable not only to Canada, but to the Empire, if they had not been granted so prodigally but had been arranged by agreement in exchange for equal concessions.

Mr. Dunning adds a very practical note when he tells the producers of the Mother Country that there is a great market here for them but they must come here to get it, as the Americans and the Germans have and the Czechs and French are now doing.

Mr. Dunning should go further and say that not only must they seek Canadian buyers but, if they want the Canadian market, they must make such changes in their products as will suit the Canadian conditions. For example, the Englishman makes electric lamps and could find a good market in this country but he refuses to make them fit the standard socket used in Canada, and we believe there are vastly more electric installations in Canada than in the whole of England.

* * *

Better Steel Schedules Won by New Interests in Industry

Next in importance are the steel schedules which have long been overdue, but which no government dared concede with the disgraceful conditions existing as they have for so many years in the Nova Scotia and Algoma fields. Those in control of these fields for many years were not steelmakers but financial highwaymen. The Financial Post persistently fought for the elimination of these interests and has opposed tariff concessions until this was done. Confidence was restored when the Holt-Gundy interests came into the picture. Holt's record in charge of Montreal Power in dealing with the public, the workers and shareholders, particularly in his continual lowering of his charges and betterment of his service, is a model that all corporations could well follow. Holt shared the growth and prosperity with his customers and workers as well as his shareholders. Mr. Gundy is probably the most brilliant of our younger financiers, though he has yet to establish a reputation as an administrator.

The steel experience is another evidence of how the iniquities of one or two concerns in an industry adversely affect reputable concerns. Old Nova Scotia Steel was always clean and popular, while the Steel Company of Canada, under the late Robert Hobson and now under Ross McMaster suffered and was handicapped in its progress, though popular and retaining public confidence. Public sympathy is undoubtedly supporting the government in the further protection of this industry. If the new tariff is not sufficient, more should be given.

Aid to the steel industries, particularly to primary producers, as provided in the budget, is an indication of the realization that even the present low tariff government recognizes the need for making Canada self-efficient industrially. No doubt other manufacturing industries will be encouraged by the government's action to hope for some adjustment touching their own lines. There is no indication, however, that this government, if it continues in power, will grant protection to industries that are not basic, that it will grant duties that will encourage inefficiency or waste. The case must be proven and proven beyond a measure of a doubt before action can be expected. And even then political considerations may over-rule practical needs.

* * *

New Zealand Treaty Should Not Be Delayed

Mr. Dunning has followed the policy forecast in The Financial Post, and already endorsed in these columns, of eliminating New Zealand from the provisions of the Australian treaty. This is the obvious solution of the argument over the antipodean trade pact. It is to be hoped that the dairy industry of Canada will find in the budget proposals some stimulus for expansion. We have been losing out in dairying. The dairies have gone on record as blaming the tariff and the tariff alone for this condition. Given protection from New Zealand and other butter they should be able to put Canada back on the basis of an export rather than an import balance in butter. But no delay should be allowed in negotiating a new and generous trade pact with New Zealand which affords a good market for Canada.

* * *

Benefit to B. W. I. if Producers See Opportunity

Producers in the British West Indies should gain considerable benefit from the budget proposals. The general expectation is that large quantities of fruit and vegetables from B. W. I. will now begin to enter Canada to replace our importations from the United States, particularly in the winter and spring months. It must not be forgotten, however, that the B. W. I. has not gone as intensively into the cultivation of fruit and vegetables as most Canadians think. Producers there have depended very largely upon sugar, it being easy to grow and in normal years a good cash crop. But sugar has not been profitable and the emphasis upon sugar production has brought some of the B. W. I. countries close to a state of despair.

To take full advantage of the exceptionally favorable tariff arrangements offered in the Dunning budget, the colonies in the B. W. I. will have to undertake intensive cultivation of fruit and vegetables suitable for the Canadian market. If they do this, they can greatly increase their own production and their own prosperity. In return, further tariff favors should be granted to Canada to aid us in gaining a larger part of the B. W. I. market, to the extent that it is now served by manufacturers in the United States. In view of the fact that the B. W. I. colonies are almost entirely dependent upon customs duty for their revenue, preferences to Canada will probably have to be accompanied by increases in the rate of duty on importations from the United States. Whether or not the B. W. I. gain prosperity out of our budget changes is for them to say. Certainly Mr. Dunning has made the framework for a much larger Canada-B. W. I. trade.

* * *

Income Tax Unchanged, Despite Burden It Imposes

It is unfortunate that the income tax has been left practically untouched. Mr. Dunning has failed to grasp what has been learned in the United States, that income tax and corporation tax reductions give such stimulus to business as to lead to greater prosperity and larger governmental revenues. When business began to decline in the United States, Mr. Hoover met the situation first of all by a reduction in the corporation income tax. Reductions in the higher levels of income taxes and the corporation taxes are not effected for the benefit of wealthy people and wealthy enterprises. They are effected to stimulate business activity and thus aid working men, farmers, merchants and governments themselves. This fact is not clearly seen by those who favor high rates of income tax. It is a most important and serious omission in Mr. Dunning's budget, and it is one that he should not fail to remedy in substantial fashion when next he stands upon the floor of Parliament to deliver his annual financial address.

* * *

Beyond these general comments, it would be difficult at the moment to deal with the effects of the new budget in detail. These will have to be studied by the editorial experts on the various class papers in the agricultural, commercial, industrial and allied field. Views of some of these are published in this issue.

POST-scripts

THERE is an ex-naval officer in Montreal who lays claim to one of the most original procedures in banking practice ever heard of. Years ago when he joined the Navy his first thought was to follow the lead of his fellows and start a bank account. Accordingly he betook himself to the nearest bank, engaged the manager in conversation and announced his excellent intention.

The manager expressed a willingness to handle the account, carried out the necessary preliminaries and asked how much was to be deposited. "Nothing," was the surprising answer, "at present." The manager rubbed his chin and pondered, but his reflections were cut short. "No," said the prospective customer, "I don't want to deposit anything just now, but I would like to draw about seventy pounds."

It is to the credit of the English banking system that the money was handed over and the new account, which had a long and honorable record, was started with a substantial overdraft.

THE charter of an institution which carried out some financing recently stipulates that there shall be no profits for shareholders; these are to be known as members or governors. One individual, who has been more than unfortunate in his investments in the past year, remarked that on this basis, he was a member of a utility concern, a governor of two industrials and apparently a dictator of at least half a dozen mining companies.

Simple Rules Point Way to Executive Success

If you have ever had a hankering to be a great, big executive, you'd better read this. Just follow a few simple rules prescribed by Robert Carter in Nation's Business. Summarized, here they are:

Always arrive at the office after the last man.

Don't notice or say "Good morning" to any one you pass in the corridor. (This does not mean the Polish Corridor.)

Announce your arrival at your desk by ringing all the buzzers at your disposal.

As your breathless staff members rush in, give them the day's instructions. Always make this particularly snappy.

After having put into the organization that dynamic urge which only an executive can impart, relax and take things easy. You must reserve your strength for golf.

While relaxing with your feet on the desk, unfold your newspaper and read the latest developments in the sporting world.

Never permit yourself to become absorbed in detail. Let the office boy do that.

Always take two hours for luncheon —never lunch. Those who see you leave and return will understand that you transact much important business over the drinking cups.

And then about the telephone. Never answer the first ring, and be sure to have your secretary ask the name of the party calling.

Remember the clean desk—the sine qua non of an executive. A clean desk is a sure sign of a big executive.

And finally, you must leave the office early to play golf. You must not show up at the office on Saturday.

New Books

"The Law of Banking"

Canada has its own banking laws, ninety-six pages of the Revised Statutes of Canada being filled with the Bank Act alone. But the bank act, if it had 9,600 pages, could not write enough legislation to cover every legal point that comes up in ordinary banking operation. The real banking law is the product of the Bank Act, plus many other pieces of legislation directly or indirectly related to banking, and supplemented by many decades of decisions in British and Canadian courts. Joint stock banking had its origin in Britain. Law on joint stock banking follows British precedents. Thus, to Canadians, there is value in the standard English authority on the law of banking, by Sir John Paget, Bart.

A fourth edition of "The Law of Banking" has been published. It is well indexed as to statutes and cases. It is published in Canada by Butterworth and Co. (Publishers) Ltd., at Toronto at $6.25.

Stop Me If You've Heard This One

Dealer—It's a genuine antique, sir.

Customer—But you are asking a fearful price for it.

Dealer—Well, sir, look how wages and the cost of materials have gone up?

Both Shipping and Banking On Empire Trade Agenda

British Shipping Federation Opposed to Imperial Code—No Need For Empire Bank is Seen

By FLOYD S. CHALMERS

Important considerations attach to shipping in the development of British Empire trade. For that reason, the viewpoint of ship owners on intra-Empire economics is essential to an understanding of the problem.

Recently a joint committee of the Association of British Chambers of Commerce, the Federation of British Industries, the Chamber of Shipping of the United Kingdom, and the Liverpool Steamship Owners' Association was appointed to submit a statement for consideration by the forthcoming Imperial Conference. In this series of articles the reports of the F.B.I. and the A. of B.C.C. have been summarized as they appeared. Now the report of the Chamber of Shipping has appeared.

Oppose Imperial Code

Emphasis is placed upon the value of uniform shipping legislation throughout the Empire. Nevertheless the ship owners are strongly opposed to an Imperial shipping code or to any similar development. They prefer to remain completely under Great Britain's laws. The report says on this point:

"Neither the Empire nor Great Britain can afford to burden British ships with restrictions which would place them at a disadvantage in the open freight market of the world. That Great Britain could contemplate any attempt to maintain her position on any basis of subsidies, discrimination, or reserved trade is hardly to be thought of. International standards of safety, &c., can be agreed, but since the science of ship construction and equipment is constantly progressive these must be subject to administrative control exercised by Great Britain over her own shipping, and it would be impracticable to vest them in an Imperial authority.

"It is doubtful whether shipping in any part of the Empire would desire to lose in any inter-Empire or international trade the status of 'British' ship, which would be involved in separate shipping legislation by the different parts of the Empire, rendering their relations in this matter equivalent to those between foreign countries. Because of the reputation they have obtained for the high standard maintained this status has a real business value, as between the shipowner and his customers, passengers, and cargo owners, as between the shipowner and his underwriters, and as between the cargo owners and their underwriters. On the other hand, an Imperial shipping code should involve as a condition precedent the throwing open of all Empire trades, including Dominion coasting trades, to all vessels flying the British flag. The choice, therefore, appears to be between retaining in general the present system, or agreeing to adopt relations as they exist between foreign countries as those subsisting between the different parts of the Empire in regard to shipping. In the face of this choice it is felt that all parts of the Empire will prefer to retain the present system."

Double Taxation Problem

The ship owners also ask that other parts of the Empire follow Canada's lead in eliminating double taxation. The report says:

"Shipowners have no desire to avoid taxation ... they share with all industries the strongest objection to being taxed more than once on the same profit, and they protest most strongly on being taxed on imaginary profits which are never in fact made."

"Canada has consistently taken the view that one of the best ways of attracting the services of capital from non-residents at the lowest possible cost to itself is not to tax it. She has attached the highest importance to securing the best and most economical services from shipping. By leaving shipping to pay tax in its own country, be it high or low, she has obtained full advantage from the open freight markets of the world. This principle has not been adopted in recent years by other Dominions."

More efficient organization of shipping lines (so long as it does not bring in government control and its dangers) will aid the growth of Empire trade, it is declared. It is necessary, says the report, that the Dominions should encourage and assist efforts by ship owners, producers, and merchants to render services more efficient by cutting out waste and ensuring an even flow of trade to fill the ships, and encourage and assist the making of a reasonable return on capital invested in the ships. "Efficient organization of shipping lines does not eliminate competition in services, but makes possible more economies, which inure to the benefit of the countries served."

Coinage and Banking

Among the suggestions that have been made for more closely uniting the countries of the British Empire in a business sense are:

1. Establishment of an Empire currency and coinage.
2. Establishment of an Empire bank.

It may be stated that neither of these is considered by bankers as practical at the present time.

An Empire system of coinage could not necessarily mean the use of bills and metal coinage jointly backed by all Empire countries. Such a possibility is so remote as not to merit consideration just now. And a standardized coinage involves a choice between the decimal system in use in Canada and Newfoundland and the pounds, shillings and pence of Great Britain, South Africa, Australia, British West Indies and a number of other British countries. We, in this country, know the decimal system to be best (although we so far have refused to adopt it in weights and measures) while the other countries will be slow to change their systems. Nevertheless, as an ultimate development, the adoption of a standardized Empire currency system, to be adopted by each country as the basis for its own system, is worthy of study.

Wide Variety of Units

To show the present complexity of the Empire currency and coinage situation, I have prepared the following list to show the principal units of the different countries:

Great Britain—Sovereign (20 shillings); Irish Free State, Saorstat pound (20 shillings); Gibraltar, British sovereign used (Spanish currency also used unofficially in business).
Malta—British sovereign used.
Cyprus—British sovereign used.
Egypt—Egyptian pound (100 piastres) and British sovereign (equal to 97½ piastres) both used.
South Africa—South African sovereign (same as British sovereign).
Rhodesia—Same.
St. Helena—Same.
Mauritius—Indian rupee.
Nigeria—West Africa silver florin.
Gambia—Same.
Sierra Leone—Same.
Kenya—East African silver shilling.
Uganda—Same.
Zanzibar—Indian rupee.
Nyasaland—British sovereign.
Tanganyika—East African silver shilling.
Somaliland—Indian rupee.
British India—Indian rupee.
Ceylon—Same.
Colombo—Same.
Iraq—Mesopotamia; Indian rupee.
Palestine — Palestine pound (same as British sovereign).
British Malaya—Straits Settlements dollar.
Shanghai—Shanghai tael.
Hong Kong—British silver dollar.
Canada—Canadian dollar.
Newfoundland—Dollar (same as Canada).
British Honduras—Dollar (same as U.S.).
British West Indies—British coinage used. In most of the colonies American coinage circulates and in Dominica, Trinidad and Tobago are legal tender.
Australia—Australian sovereign (same as British sovereign).
New Zealand — New Zealand sovereign (same as British sovereign).
Tongan Islands—British sovereign.
Gilbert and Ellice Islands—British and Australian coinage used.

Approve Central Bank

Bankers see little merit yet in the proposal for an Empire bank. Banking facilities are considered adequate in the Empire. Canadian banks are located throughout Newfoundland, and the British West Indies. British banks and British-controlled banks serve Palestine, Australasia, West Africa, West Indies, Egypt, India, in fact every part of the Empire. There is no recognized need for a central bank for strictly Imperial purposes.

This is the seventh of a series of articles dealing with Empire trade development.

An Advantageous Comparison

FROM an investor's point of view, First Mortgage Corporation Bonds, secured by well-located, revenue-producing Real Estate, have several advantages over ordinary first mortgages. They are more marketable. They do not put the holder to the same inconvenience in collecting interest and principal; and frequently, they are not only a first mortgage on fixed assets, but may be additionally secured by a further charge on all other assets.

Our current offering list deals with these advantages and shows why an investment in such bonds is to be recommended. Write for a copy. It will interest you.

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Recent Corporation Financing

In connection with a discussion of public preferences in the security markets we have prepared a chart showing the proportions of corporation bond and stock issues offered in recent years.

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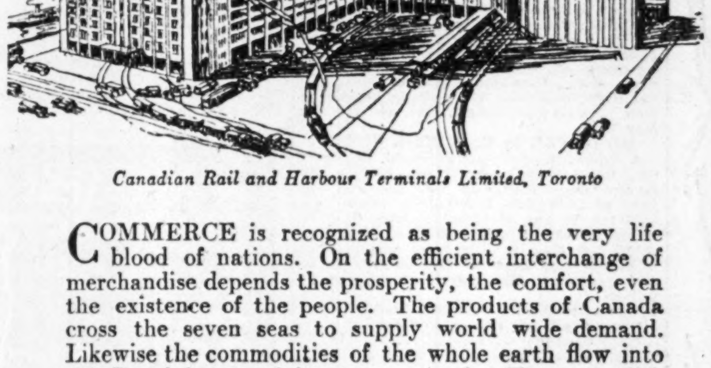


Canadian Rail and Harbour Terminals Limited, Toronto

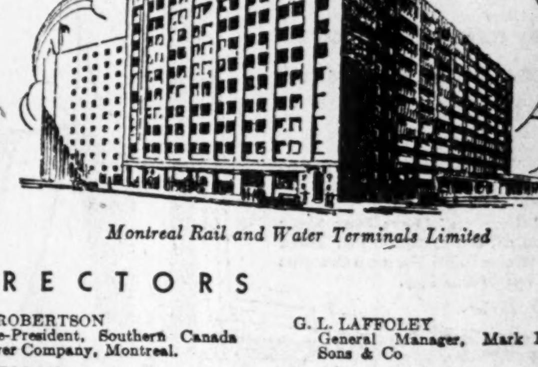
COMMERCE is recognized as being the very life blood of nations. On the efficient interchange of merchandise depends the prosperity, the comfort, even the existence of the people. The products of Canada cross the seven seas to supply world wide demand. Likewise the commodities of the whole earth flow into this Dominion to minister to our needs. To accomplish this, fleets of smart liners and rusty, salt-incrusted tramps ply the seas.

Warehouses have always been an essential link in this vast chain of international trade. Modern warehousing, performing as it does functions impossible to the older type, assumes a place of greater importance than ever before.

The great warehouses of the Canadian Terminal System, Limited, are the largest in Canada, and equipped and managed in the most modern manner. Here the commodities of the earth are brought together; fruits from the torrid tropics and furs from the frozen north; spices and silks from China and raisins from Smyrna are efficiently conveyed to our doors by water, rail and motor.

Here, too, quantities of domestic fruits, vegetables and meats are stored through the seasons of plenty until the storms of winter, when they are required. Strawberries and raspberries may be found months after they have disappeared from the fields. Even now eggs are being laid away against the time seven months hence when the incogitant hens neglect to supply our needs.

So it is realized what a profound bearing the warehousing industry has on the very existence of a nation. Supplying its people with commodities from the most distant points of the globe and making available their own native products at a time when they would be normally out of season.



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The Canadian Terminal System Limited

Business Conditions in Canada

APRIL 1 FIGURES SHOW BIG DROP IN EMPLOYMENT

Monthly Decline Largest Since Same Period in 1921

Employment conditions in Canada as at April 1 showed the sharpest decline from the preceding month, that has been recorded since 1921, according to a check-up of the Dominion Bureau of Statistics index of employment made by The Financial Post.

It is usual, of course, for the April 1 index to be slightly below that of March 1, due to the fact that the summer peak is not yet underway at that time and that winter operations, such as logging, suffer contraction during the month of March. Accordingly in all but one of the last ten years, the April index has been below the March figure. However, the average decline since 1921 has only been 1.13 points, while for April, 1930, the index shows a drop of 2.4 points from the index of the preceding month. This is the biggest decline for this time of the year since the drop of four points which was recorded in the slump of 1921.

The April index at 107.8 compares with 110.2 in March. The greatest decline was in logging camps in which there was exceptionally great activity during the past winter. Staffs in this industry were reduced by over 24,000 workers. On the other hand small advances were noted in manufactures, construction and transportation. The only province to show an improvement for the month was British Columbia, the declines being greatest in Quebec and Ontario.

Real Test Coming

The real test of employment conditions will come next month when the annual seasonal upturn in employment begins. Last year the employment index as at May 1 showed an increase of 5.8 points over the previous month's figure while for the three years preceding 1929, the increase each year has been from 3 to 4.5 points. Accordingly the May 1 figure should give a very real indication of the summer's employment trend in Canada, since the seasonal curve, when once established, runs in an almost uniform path from year to year.

A further indication of current employment conditions in Canada is revealed in the report of unemployment among trade unions as recorded in the Labor Gazette. The latest data available from this source shows that 1.760 reporting organizations with membership of 209,327 had 11.5 per cent unemployed as compared with 6.8 per cent unemployed at the end of February in the previous year and 10.8 per cent idle the previous month of 1930. Slight improvement was noted in the Maritime provinces during February over the preceding month, the other provinces noting a decline. As compared with February, 1929, the most extensive declines were noted in Saskatchewan and Alberta, all provinces reporting declines in activity.

Conditions in the eight leading Canadian cities for which employment returns are tabulated by the Dominion Bureau of Statistics as at April 1, 1930, are as follows:

Employment increased in Montreal, Quebec City, Toronto, Ottawa, Windsor and the adjacent Border Cities and Vancouver, while losses were noted in Hamilton and Winnipeg.

Hamilton.—Manufacturing afforded heightened employment in Hamilton, while construction released employees. Returns were compiled from 217 firms employing 36,096 persons, or 25 less than on Mar. 1. The level of employment was lower than on the same date of last year, when large gains were indicated.

Winnipeg.—Employment decreased in Winnipeg, where 401 persons were released from the payrolls of the 342 employers furnishing statistics, who reported 30,952 workers. Iron and steel plants were more active, but construction and trade were slacker. On Apr. 1, 1929, a gain had been indicated, and the index was higher.

India's Wheat Crop for the 1930 season is 368,293,000 bushels, from 30,468,000 acres, according to a preliminary estimate received from Calcutta. This compares with a crop of 317,595,000 bushels from 32,000,000 acres in 1929, and 342,347,000 bushels from 31,181,000 acres, the annual average for the five years ended 1927. This is a 15.9 per cent increase over 1929, and a 7.6 per cent increase over the five-year average.

Business Fairly Pleased With Budget

	Canada	United States
Commodity Prices:	Further drop in prices expected for March index.	End of April price index lowest since 1916, says Annalist.
Iron and Steel:	Primary steel producers well pleased with tariff.	Upturn of steel operations to 80 p.c. not considered significant.
Foreign Trade:	Wheat movement at new peak, week of April 25.	Exports of manufactures continue much above general level.
Employment:	British Columbia alone reports upturn during April.	Highway construction very active; heavy construction ebbs.
Car Loadings:	Current loadings now 16.6 p.c. below 1929 level.	Current loadings 11.3 per cent below 1929 level.
Agriculture:	First C.N.R. crop report full of optimism.	Wheat crop news favorable; cotton news highly mixed.
Stock Markets:	Little recovery noted from low marks of May break.	Unhealthy bull market house-cleaned by break.
Credit:	Bank debits decline 22.3 p.c. in March.	Commercial loans stabilize after sharp decline.
Trend:	General reaction to first Dunning budget favorable despite sweeping changes.	Economists pleased at Wall street shake-down. Little encouragement in business indices.

Business Digests Budget Finds Over 500 Changes Though Many Mean Little

Probably Only $140,000,000 of Canada's Trade Involved—Comment Largely Favorable But Executives Wary of Election Flavor—Construction Soars Ahead

A Weekly Review of Business Conducted by The Financial Post

The most important customs revision made in Canada since 1896 went into effect at 9 a.m. Friday, May 2, at every one of the 500 customs ports throughout Canada. Since that time, Canadian business men have been valiantly trying to apply the changes, revisions and re-classifications to their particular businesses.

Actually, of course, the new tariff schedules of the first Dunning budget, do not become law until they have run the gamut of the House of Commons and the senate, and have received the governor-general's consent. In the meantime the new schedules are being enforced at all ports, and all entries are accepted at the new rates subject to amendment and the passage of the bill through regular legislative channels.

Under the Canadian parliamentary system, although the budget has been delivered and the customs ports notified of the changes which technically come into effect when announced by the Minister of finance, these are not binding according to law until a bill has been introduced and passed by the house. If any or all of the items involved fail to become law, the difference in customs rates would be refunded to or demanded from business houses concerned.

Politically, it is thought that the federal government will force a vote on the budget as soon as possible, and appeal to the country on the strength of a law actually put into force, rather than go to the country for a mandate confirming this budget which will undoubtedly have an important effect upon Canada's position at the forthcoming Imperial Economic conference in the fall.

Business is Wary

Being an election budget, Canadian business men are inclined to be wary of its make-up. Although there are well over 500 changes out of a total of 1,188 items, there are decided grounds to support the view that dozens and perhaps scores of the items are merely gestures intended as fuel to feed hustings propaganda, or are for the time being at least meaningless though well-meant gestures in the cause of Empire trade.

One thing is clear, namely, that for the first time since the creation of the tariff board, business men are receiving definite assurance that logical and business-like presentations made before that body will not go unheeded, thus disproving the rather widespread feeling that the board had become nothing more or less than a political pigeon-hole for tariff deputations to Ottawa.

$140,000,000 Involved

A survey made by The Financial Post as to the actual volume of trade affected by the budget (exclusive of the two new treaties to be negotiated with Newfoundland and New Zealand) reveals the fact that not nearly as large a sum is involved as is commonly thought to be the case. Including items on which countervailing duties are imposed, the total trade involved is probably not more than $140,000,000, of which 80 per cent, or $110,000,000, is trade with the United States.

As far as the number of changes is concerned, British trade is the most affected, but in spite of the fact that some 340 items show changes in the British preference, the total trade involved is comparatively small, amounting in all to not more than $20,000,000. Of this total, more than half is made up of the one item—tea, a trade volume of $10,750,000 being affected by the wiping out entirely of the tariff on that commodity when imported from British countries.

New Principle Applied

The importation of countervailing duties is a new principle in Canadian tariff law and affects chiefly some $15,000,000 of trade with the United States, as follows: Potatoes, $932,000; butter, $68,155; soups, $1,455,469; animals, living, $2,807,590; meats, both fresh and cured, $4,915,045; eggs, including albumens and frozen eggs, $1,274,072; wheat, $729,804; wheat flour, $539,373; oats, $1,544,595; oatmeal, $45,242; rye, $167,087; cut flowers, $254,719; cast iron pipes, $205,382. Total, $14,938,533. The countervailing duty, means simply provision for a sliding scale which will apply to non-British countries and will make the Canadian tariff automatically the same as that of the country of export.

One other notable effect of the budget will undoubtedly be the attracting of many new industries to Canada, particularly those engaged in primary iron and steel trades. This feature of the revision, which affects some $50,000,000 of products now almost entirely imported from the United States is perhaps the most important feature of the entire tariff change and should not only attract new capital for the establishment of industries across the line but should also mean further capital additions to existing Canadian plants.

Construction Still High

Turning to current business indices for the month week, the most important is the statement of new construction contracts awarded in April as reported by MacLean Building Reports. Total awards are given as $48,778,600, an increase of 12.7 per cent over the April, 1929, figure. This most remarkable record now brings total awards for the first four months of the year to within 12 per cent of the total for the same period a year ago. Analysis of the figures shows that two specific items are largely responsible for this showing, namely, construction of schools, which stands at $13,000,000 as against $6,000,000 for the first four months of last year, and general engineering contracts which this year amount to $33,600,000 as compared with $21,200,000 in 1929. With the exception of, some other public works such as public buildings, sewers, hospitals and roads, all items in the detailed classification of contracts awarded, show declines for the four month period.

Details of contracts awarded in Canada to date are as follows:

Construction Awards in Canada

	4 mos. 1930 Value	4 mos. 1929 Value
Apartments	$ 4,161,100	$ 8,336,600
Residences	19,039,700	24,579,300
Total Residential	**23,200,800**	**32,915,900**
Churches	1,734,300	2,020,300
Public garages	2,164,700	3,429,100
Hospitals	3,639,600	1,182,800
Hotels and clubs	6,366,600	10,100,000
Office buildings	8,474,300	11,887,500
Public buildings	7,961,700	2,386,800
Schools	13,090,900	6,028,400
Stores	3,419,800	7,232,500
Theatres	990,100	164,700
Warehouses	3,576,100	9,076,900
Total Business	**51,418,100**	**52,959,000**
Total Industrial	**11,546,900**	**16,259,500**
Bridges	1,924,800	2,226,300
Dams & wharves	3,447,900	4,317,400
Sewers, watermains	6,685,300	4,105,600
Roads and streets	7,167,400	6,845,900
General engineering	33,644,700	21,212,600
Total Engineering	**52,870,100**	**38,707,800**
Grand Total	**$139,035,900**	**$140,842,200**

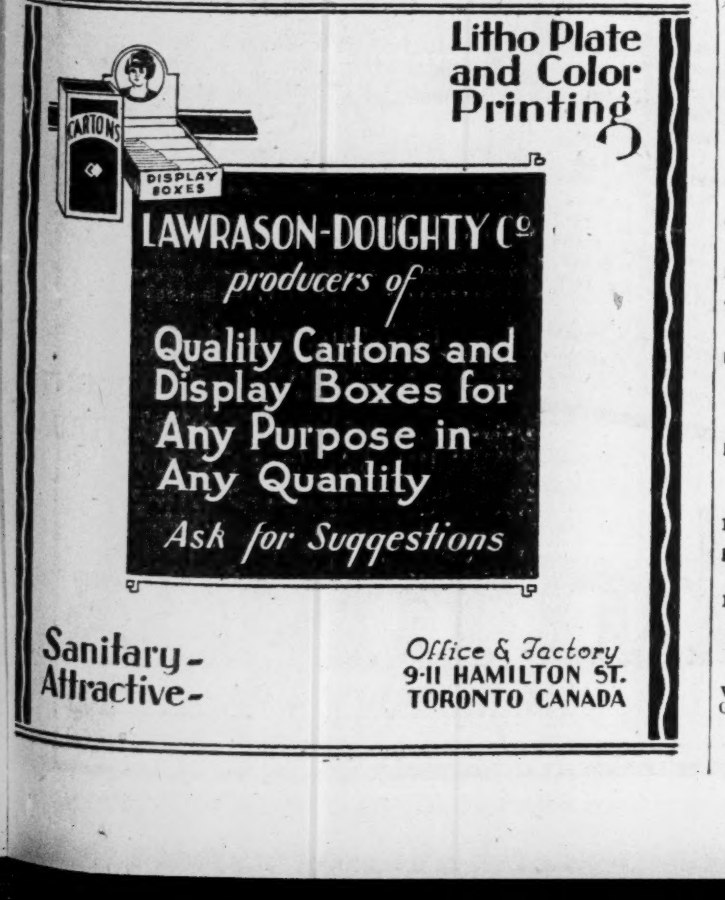
Motor Situation Brighter

One other feature of the current situation is that automobile manufacturers who up till now have been operating at only about 50 per cent of 1929's abnormally high level, are looking for a brighter time ahead, and many actually expect that production schedules this May will exceed production a year ago. It will be remembered that after the tremendous peak of production achieved during the first four months of 1929, output started declining in May, which was a full month ahead of the usual period of summer decline. It would seem, therefore, that the process is about to be reversed this year, with the possibility of a very satisfactory year, all told.

Employment in Canada Lower Than Year Ago

	Gains	Losses	Index of Activity† Apr. 1 1930	Mar. 1 1930	Apr. 1 1929	Apr. 1 1928
Maritimes:	Shipping	Manufacturing Mining Construction	107.8	110.2	107.5	98.5
Quebec:	Manufacturing* Mining, Trans. Construction	Pulp & Paper Logging	103.7	106.6	101.1	99.2
Ontario:	Manufacturing Trans. Services Construction	Logging	112.7	115.6	117.4	106.0
Prairie Prov.:		Manufacturing Logging, Mining	103.2	105.3	113.9	101.9
Br. Columbia:	Manufacturing Trans., Constr.	Mining Logging	106.0	104.2	106.0	100.0
Canada:	Manufacturing Construction Transportation	Logging	107.8	110.2	110.4	102.3

*Chiefly textiles, iron and steel, building material and electrical apparatus.
†Average, Calendar year 1926=100.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NEWFOUNDLAND FISH MARKETS POOR

But Iron Industry and Pulp Mills Are Busy

There is little, if any improvement in foreign markets for Newfoundland's codfish, according to the monthly letter of the Bank of Montreal and exporters may suffer some losses. Foreign competition is severe both as to price and cure.

Reports from the seal fishery indicate a killing above the average of the past three years, 214,248 seals being taken to date. The paper mills at Corner Brook and Grand Falls continue to produce at capacity. From the Buchans Mine over 7,000 tons of concentrates were shipped to seaboard during March. It is reported that a substantial order for iron ore for delivery in England has been received by the Bell Island Mines and it is hoped to be the forerunner of other orders from that country and Scotland, Germany having been the principal European market for some years. The tariff changes in the United States affect the local berry industry by more than doubling the duty payable. General trade is somewhat quiet; collections are fairly good.

Argentine's Wheat Crop according to the third official forecast for the season 1929-30 shows 137,436,000 bushels from 19,423,000 acres as compared with 307,360,000 bushels from 20,900,000 acres in 1928-29 and 218,014,000 bushels from 18,632,000 acres, the annual average for the five years 1923-24 to 1927-28.

Canadian Business Indicators

Compiled Weekly by The Financial Post

	Weekly Latest 1930	1929	Cumulative for Year 1930	1929
C.P.R. Gross Earn. (Apr. 30)	$ 3,987,000	$ 5,508,000	$ 52,365,000	$ 64,340,000
C.N.R. Gross Earn. (Apr. 21)	$ 4,212,539	$ 5,226,902	$ 64,789,324	$ 76,015,340
Car Loadings (Apr. 26)	56,661	67,959	962,598	1,066,699
Stock Index (May 1)	968.1	955.1	......	......
Production—	Monthly			
Pig Iron, tons (Mar.)	72,582	86,176	230,261	267,879
Steel, tons (Mar.)	117,487	137,158	339,299	370,863
Newsprint, tons (Mar.)	207,485	218,147	603,817	618,893
Automobiles (Mar.)	20,730	40,621	40,666	93,403
Boots and Shoes, pr. (Feb.)	1,344,459	1,467,175	2,679,931	2,924,855
Flour, bbls. (Mar.)	1,219,202	1,631,182	3,438,320	4,928,875
Construction—				
Building Permits (Mar.)	$ 13,352,640	$ 24,068,018	$ 29,370,251	$ 42,950,228
Contracts (Apr.)	$ 48,778,600	$ 43,328,000	$ 149,025,500	$ 140,842,000
Labor—				
Employment Index (Apr.)	107.8	110.4	......	......
Trade—				
Imports (Mar.)	$ 113,025,526	$ 135,328,818	$ 278,610,064	$ 329,329,174
Exports (Mar.)	$ 89,595,317	$ 114,763,270	$ 229,792,461	$ 291,946,472
Imports of Key Products—				
Rubber, lbs. (Feb.)	5,039,249	6,514,264	11,404,244	14,934,061
Cotton, lbs. (Feb.)	7,678,429	13,089,021	18,304,735	31,573,537
Sugar (Feb.)	$ 1,768,689	$ 1,758,811	$ 3,425,389	$ 3,415,511
Petroleum, crude, gal. (Feb.)	80,522,101	49,161,554	162,421,914	109,914,905
Coal, tons (Feb.)	1,310,707	1,409,508	3,078,279	2,760,572
Exports of Key Products—				
Newsprint, cwt. (Feb.)	3,264,084	3,489,375	7,259,542	7,390,309
Automobiles, No. (Feb.)	4,280	10,856	7,277	19,853
Wheat, bush. (Mar.)	11,592,472	21,207,187	23,319,352	57,258,572
Wheat, flour, bbls. (Mar.)	680,697	1,412,834	1,664,172	3,344,092
Electric Power—Output—				
M. Kilowatt hours (Mar.)	1,507,939	1,470,520	4,444,728	4,324,882
Population—				
Emigration (Feb.)	3,217	3,722	......	......
Immigration (Feb.)	3,963	4,634	7,329	8,798
Finance—				
Failures, No. (Feb.)	205	197	466	466
Failures, Liabilities (Feb.)	$ 4,120,506	$ 5,715,615	$ 12,781,606	$ 10,183,083
Bank Debit (Mar.)	$3,092,042,070	$3,982,171,969	$ 9,118,488,109	$11,504,783,030
Bond Sales (Mar.)	$ 45,392,842	$ 52,063,888	$ 148,082,019	$ 125,204,627
Insurance Sales (Mar.)	$ 50,327,000	$ 49,106,000	$ 142,614,000	$ 147,424,000
Wholesale Prices (1913=100)—				
General Index (Mar.)	91.9	95.5	......	......
Iron	92.6	93.5	......	......
Cottons, raw	86.8	121.1	......	......
Grains	75.5	90.4	......	......
Live stock	127.6	119.4	......	......

UNIT. AMUSEMENT HAS ACQUIRED SITE FOR NEW THEATRE

Company is Second Only to Famous Players in Field

From Our Own Correspondent

MONTREAL.—Further expansion is planned by United Amusement Corp. and a property has been acquired at Rachel and Berri Streets in Montreal on which the company will probably erect a theatre. Final plans have not yet been completed. The corporation recently opened two new houses in Montreal which increased its seating capacity by over 3,000 to 22,245.

While the company never publishes quarterly earnings, it is understood that profits to date are well ahead of last year though earnings fell off in the second quarter ended March 31, 1930. This occurrence is regarded as being due to a seasonal slump and also to the fact that the initial rush to hear talking pictures, which reached a peak a year ago, is over.

Like Famous Players Canadian Corporation, it is understood that United Amusement earned its dividend requirements in the first quarter of the current fiscal year so there seems every likelihood that the financial statement for the twelve months which ends August 31, 1930, will show material gains over last year. A dividend of $2 a share is paid on the 73,529 shares of class A and B shares outstanding, earnings last year were equal to $3.68 a share on this amount.

Close to Famous Players

The destiny of United Amusement appears to coincide closely with that of Famous Players Canadian Corp. Though the larger company owns a substantial block of the United Amusement stock it is said that it does not own control; there is, however, a close association between the two companies and United Amusement, like Famous Players, has the right to first run on films of Paramount Famous Lasky Corp.

There have been rumors that Famous Players has now acquired a controlling interest in the company, and though this lacks official confirmation, it is possible that steps may be taken to consolidate the affiliation between the two companies.

United Amusement Corp. is the largest independent moving picture enterprise in Canada with the exception of Famous Players, and though operations are confined to the province of Quebec, it is nevertheless a factor to be considered in the light of recent negotiations between Famous Players and Paramount. If competitors are seeking to gain a foothold in the Canadian motion picture field, it seems that Famous Players will make sure that United Amusement will remain in the same closely affiliated position that it occupies today.

ST. REGIS PAPER CO. IMPROVES EARNINGS

Company Has Valuable Pulp Holdings in Quebec Province

From Our Own Correspondent

MONTREAL.—The annual report of St. Regis Paper Company and subsidiaries for the year ended December 31, 1929, shows net income of $4,664,000 which, after all charges leaves earnings equivalent to $1.29 per share on the common stock as compared with net income of $3,451,000 in 1928. The 1929 income does not include earnings of the Niagara Hudson Power Corporation, applicable to the company's holdings and which, if included, would add 27 cents a share, making total per share earnings of $1.56 per share on the average number of shares of common stock outstanding during the year.

Has Canadian Company

Canadian interest in St. Regis Paper Company centres around the fact that a Canadian subsidiary, the St. Regis Paper Company of Canada, Ltd., is at present engaged in pulpwood logging operations on valuable owned and leased timber rights in Quebec province estimated to contain some 2,500,000 cords of pulpwood. The parent company purchases under contract the entire pulpwood output of the Canadian subsidiary. Up until two years ago, the Canadian company had preferred stock and debentures outstanding but these were retired or called for redemption during 1928.

The parent company's balance sheet shows land, buildings, machinery, timber lands and so forth after depreciation at $41,105,000. The company's investment in the Niagara Hudson Power Corporation is represented by 4,260,366 shares of common stock and 1,025,566 Class "A" option warrants valued at $27,979,957, while other investments are shown at $4,070,835.

Consolidated income accounts for 1929 and 1928 are as follows:

	1929	x1928
Gross income	$22,950,590	$13,900,357
Exp. depr., etc.	18,285,717	10,449,072
Net income	4,664,873	3,451,285
Pref. divid.	329,497	331,793
Com. divid.	2,788,750	1,634,725
Surplus	1,546,626	1,484,767
Prev. surplus	12,028,083	10,543,316
Surp. ac. from recap.	12,403,715	....
P. & L. surplus	$25,978,424	$12,028,083

x—Revised figures.

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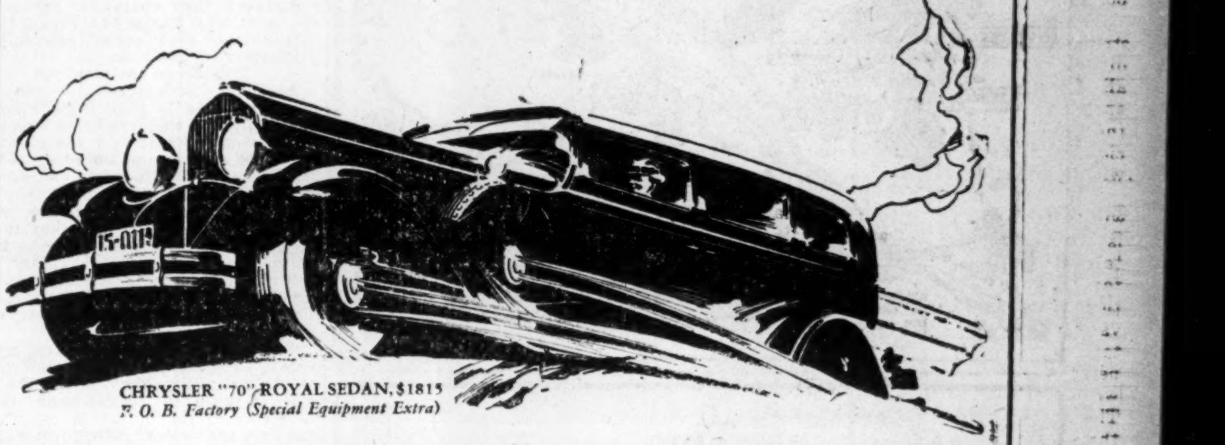
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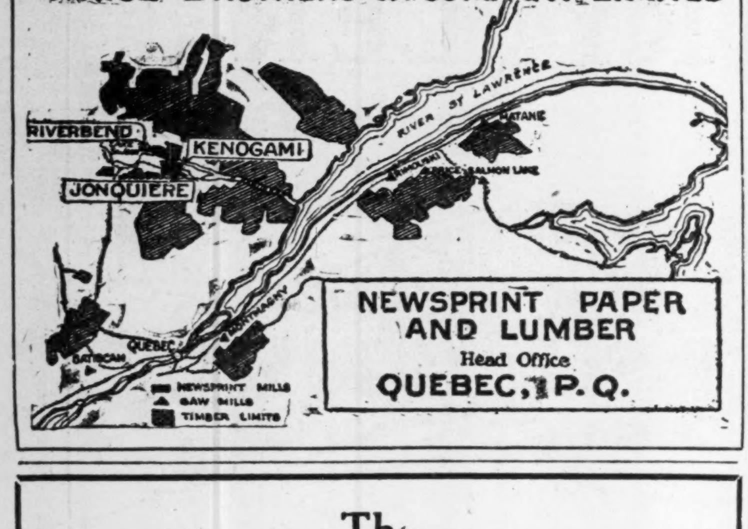

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QUEBEC, P. Q.

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Wayagamack Pulp and Paper Co. Ltd., Three Rivers, Que.

Head Office:
MONTREAL-QUEBEC

Canadian Pulp and Paper Industry

Newsprint Producers Should Hold Their Own In Respect to Earnings

Outlook for Consumption Remains Unchanged at Present

STOCK INTEREST LOW

Period of Stabilization and House Cleaning Ahead of Producers

From Our Own Correspondent

MONTREAL. — Softness of the general market and a realization that the paper companies as a group will not make much money this year and, further, that the stabilization period will be all of two years, has made for limited trading in the newsprint stocks. Canada Power & Paper is an exception to this ruling, though it cannot be said that there is any active trading in the stock. Several large blocks have passed hands, but the small investor has not made an appearance.

To those investors prepared and content to hold on for two or three years some of the newsprint stocks will likely be a profitable medium of investment. Much depends, of course, upon the manner in which the American publishers take up the recent offer and the trend of newsprint consumption.

Demand May Be Less

The latter appears to be the most important consideration at present. It is unlikely that demand will go forward in the same ratio as it has in the past. Surveys of the advertising situation in the United States for the current year to date indicate some falling off in lineage. This was not unexpected in view of the easier trend of business and forecasts have it that advertising will pick up in the fall months.

For the months immediately ahead, however, there is not likely to be more than seasonal fluctuations in demand, while the volume of consumption will possibly be somewhat lighter than last year. The maintenance of demand, however, must be considered as a good sign in view of the uncertainty that exists over business.

The April figures of production will not be available for another week. There is likely to be some increase in production, but the operating ratio of mills may be less. During March the mills operated at 68.4 per cent of rated capacity of 11,668 tons daily. This was considerably under the figure of March a year ago, but in quantity the result compares more favorably.

Normally April production shows little change from that of the preceding month. That being the case this year, output last month should be around the 210,000 ton mark, while the operating ratio will remain about the same. During April last year 221,000 tons were produced, representing an operating ratio of 85.1 per cent.

One encouraging feature of the report on operations for March was that shipments exceeded production. This condition likely prevailed throughout April, as the producers are carefully watching production and stocks on hand.

Look For Stability

If the American publishers accept the offer of the Newsprint Institute of Canada, which provides for a gradual increase in the price of newsprint until an advance of $5 a ton is reached in 1933, the industry will be in a position to put itself on a stronger basis.

Knowing that a stabilized market awaits their output, the producers will then be able to go ahead and put into effect some of the economies that have been planned. Many of the consolidations or mergers of the past year or two have not yet got on a proper working basis. Normally this condition would not prevail, but conditions have been such that the managements concerned have not had time, nor have conditions been opportune, to consolidate activities of merged companies.

One of the largest companies in the Canadian newsprint field has lately been active in bringing about a greater co-ordination of its activities. Such work will result in a lowering of operating and overhead costs. When it is considered that operating profits for the next two years are likely to be rather lean, such action can only be productive of good results.

Hold Down Installations

Another development of the new price schedule is that installation of new machines will not be so frequent. At present International has plans for two more machines at Dalhousie, James MacLaren is installing two machines at Buckingham, P.Q., Mersey has under consideration another machine, while out on the coast some further installations are being made. Bringing these units into operation will further tend to widen the spread between productive capacity and demand, unless consumption increases, which does not seem likely at the moment.

The situation might be more aggravated, but provided that no additional machines are brought into use, the normal increase in consumption should take care of the increased output. By the time the present offer expires, 1933, demand should more closely approximate output capacity.

From the financial angle, it is doubtful if the statements on this year's operations will make good reading. Though Price Bros. and Abitibi brought out good reports for 1929, considering the various detrimental factors, there has been no improvement to date which would warrant optimism in regard to this year's earnings.

Operations in the first quarter were only 69.7 per cent on a rating of 11,401 tons, as against 81.3 per cent on a rating 10,018 tons in the first quarter of 1929. In actual tonnage the initial quarter production this year at 603,817 tons, shows a drop of roughly 15,000 tons from the corresponding figure for 1929. On the basis of shipments, comparison is not so favorable. In the first three months last year 613,508 tons went out of the country, as against 589,442 tons this year.

It may be that the remaining months of this year will see a pick up in consumption. Such an event is to be desired, but the immediate outlook does not warrant any optimism in that direction. Further the fact that prices will remain unchanged until 1930, reduces to a minimum the possibility of larger earnings for the Canadian producers.

From all appearances, the Canadian pulp and paper producers will just about hold their own this year. If the new price agreement is generally accepted, some improvement should be noted in 1931. Until that time it is not likely that the newsprint securities will come in for active trading, unless there are new and favorable developments outside that field.

Can. Paperboard Effect Economies

From Our Own Correspondent

MONTREAL. — Operations of the Frankford plant of the Canadian Paperboard Company were closed down at the end of April. This mill had an output of 30 tons of groundwood pulp daily and 50 tons of all grades of paperboard.

It is understood that the closing of this plant will tend to improve the position of the company. Heretofore the three mills of the company have been working 20 days a month. With the Frankford plant closed down it will be possible to step up the production of other units and still maintain production on a lower cost basis. The closing of the Frankford mill is likely to be only a temporary matter, depending upon the recovery of the paperboard market, Canadian Paperboard is now being operated under the direction of the receiver and owing to the rather unsatisfactory condition of the board market, certain economies are being effected.

MERSEY PAPER ARRANGES SALE OF TOTAL OUTPUT

Power Development Costs Provided for in Original Estimates

From Our Own Correspondent

MONTREAL.—Mersey Paper Company's two 125-ton newsprint machines are operating practically at capacity and it is stated that the entire output is now being sold on a favorable basis. The Brooklyn mill came into operation in December, 1929, with more than 80 per cent of its production sold on five year contracts; the balance is now being disposed of on spot at satisfactory prices.

When the mill was built, provision was made for the installation of a third machine which would give the plant a total capacity of 375 tons daily. In view of the situation obtaining in the newsprint industry no statement has been made as to whether the third unit will be installed this year though the announcement of a price increase in 1931 is an encouraging factor in the outlook for the future.

What price the company is obtaining for its output has not been announced, but it is understood that contracts provide for a sliding scale of prices.

Mersey Paper's location places it in a strong position. It is able to ship all year round direct from the mill to North Atlantic ports at favorable rates; New York itself is but 480 miles from Brooklyn by water. Coupled with this the mill should prove to be a low cost producer. It has been equipped with modern and efficient machinery which is giving good results while labor costs are comparatively low.

Hydro-Electric Costs

References to the cost of the hydro-electric developments of the Mersey River which supply the newsprint company with its power requirements have been rather misleading. In the Nova Scotia Legislature it was recently stated that the original estimate of the Nova Scotia Power Commission for construction had been in the region of $3,800,000, but that expenditure to date had been about $5,200,000 with the possibility of a total outlay of $6,000,000. It was also stated that extra cost would have to be borne by Mersey Paper.

To clarify the situation, it may be stated that the plans as finally adopted called for works of a more substantial character than had been originally projected, with a view to ensuring reliable service and rendering the annual costs of operations and maintenance and in arriving at the estimated charges for power to the company, a figure in excess of $6,000,000 was employed as representing the final cost of the power development. All plans and financing were based on this figure; thus the announcement made in the legislature holds no concern for Mersey Paper. The work carried out by Foundation Company of Canada, the firm which undertook construction of the power developments, is understood to have been satisfactory and everything has been carried out as finally planned.

Mersey Paper will not have to carry out any financing in connection with the power development, and will be able to wait for more favorable conditions before it sells any of its senior securities. At present there are $2,000,000 six per cent, general mortgage bonds outstanding in the hands of the public.

Wilder-Birmingham Corp. Place Stock on Market

From Our Own Correspondent

MONTREAL. — Wilder-Birmingham Investment Corp. has issued a descriptive booklet describing the activities of the newly formed company and at the same time setting forth the corporate set-up of the organization. The corporation proposes to issue securities of the company, which is primarily interested in promoting the idea of group investment in real estate.

The capital stock is divided into 2,500 shares of preferred stock with a par value of $100 each, and 2,500 shares of common stock with no par value. The preferred stock will carry a dividend of 7 per cent and a non-cumulative dividend of 3 per cent per annum before any dividends are paid on the common stock.

The officers of the corporation at the present time: J. E. Wilder, president; F. J. Bermingham, vice-president; directors: John Irwin, president of McColl-Frontenac Oil Company, Limited, and president of McArthur Irwin, Limited; J. H. Sheppard, chairman of Simmons Limited and president of Consolidated Pipe Company, Limited; J. F. McPherson, vice-president of George A. Fuller of Canada, Limited; M. A. Phelan, K.C., senior partner of Fleet, Phelan, Fleet, Robertson and Abbot, and a director of the North American Accident Assurance Company.

Price Bros. New Building Will be Completed Shortly

From Our Own Correspondent

MONTREAL.—Good progress is being made by Price Bros. and Company in the construction of their new 17-story head office building, which has been designated "Price House." It is by far the largest building in the Ancient Capital and it dominates the business section of the city.

Out of the 17 floors of the new building 15 will provide space for modern offices. Price Bros. will occupy all the offices on the seven floors between the ninth and fifteenth stories and the extensive work of moving the properties from the company's present quarter to the new building has already under way.

All the stone work on the buildin has been completed, but there are sti several weeks of work in finishing th interior. It is expected that the build ing will be finally completed about th middle of June, by which time all Price Bros. staff will be located in th new home.

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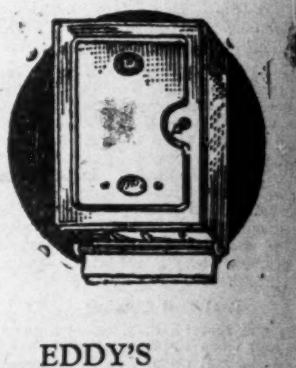

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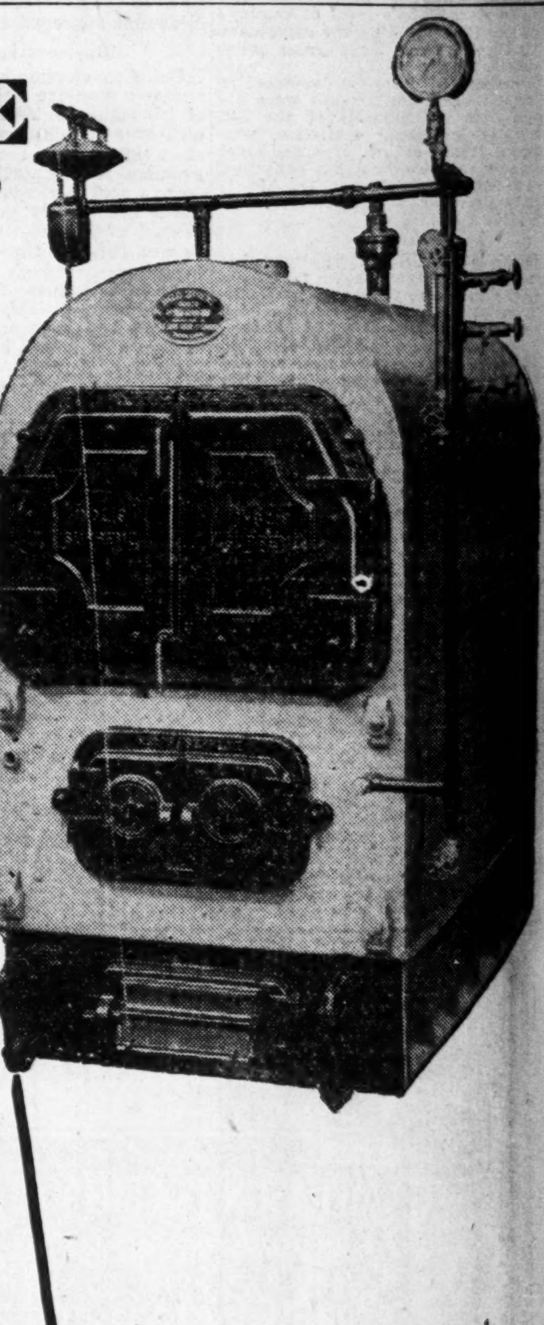
1. Made especially for low-pressure steam up to 15 pounds pressure, and also for hot water heating. Both types are adaptable for stokers or oil firing.
2. Built of flange steel, electrically welded throughout. Seams are welded inside and out in both fire and combustion chambers.
3. Fire-box and combustion chamber are completely surrounded by water. The cast-iron frames for mounting the fire and flue doors are fitted with a special inner flange to protect all welded joints from cold air blasts when the doors are opened.
4. Crown sheets of the furnace and combustion chamber are easily cleaned through liberal-sized hand holes, and all tubes are cleaned from the front end.
5. The base is of cast-iron in four sections, and is fitted with shaking grates, bridge-wall support, front ash and regular door, and rear clean-out door.
6. Each boiler comes complete with fittings ready to install and is fully guaranteed.
7. It is a self-contained unit and when set up is ready to go to work. No extra fuss or bother. The small amount of space required for the entire equipment makes the Inglis Supreme Boiler especially adaptable for very limited space.

Let our Engineering Department advise you on your Boiler problems. There is absolutely no obligation.



14 Strachan Avenue, TORONTO
618 Castle Building, MONTREAL

The John Inglis COMPANY LIMITED

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram.

Ford "A"

I would like your opinion as to whether I should sell my Ford "A" stock?

The high point for Ford "A" stock this year has been 38½. It does not seem a good time to sell your stock. The company should very shortly make known its dividend policy. In any case, opinion seems to be that the forthcoming financial statement may show $4 a share.

Just what the company will do with regard to dividends will probably be determined by its experience in the first months of the year. It has always followed a conservative dividend policy. The prospects of the company appear excellent.

Harding Carpet

Some time ago I bought 50 shares of Harding Carpet preferred which carried a bonus of 50 shares of common. I owe a balance of some $1,200 on this stock. What is your opinion of this company? Am I wise to carry this balance or should I sell the stock as soon as possible?

Harding Carpet Limited earned 97 cents a share in 1928 and 43 cents a share in 1929 on the 7 per cent cumulative preference stocks of which there are $750,000 outstanding.

Under these circumstances, there is not any particular market for your preferred stock. The company has been operating for one and a half years and has done a very good business from the standpoint of volume and character of business. We are informed that there is hardly a large carpet contract that this company has not shared in.

At the first of this year, it got its domestic Oriental carpets on the market. The Smyrna rugs are also going well, but the company is meeting keen competition from older companies and so enough has not been made to pay dividends in any year since it started.

Last year the company made about $47,000 before depreciation and other write-offs. From a shareholder's standpoint all this is disappointing.

Sales so far this year are reported to be slightly in excess of those made for the same period in 1929. The plant is operating at about 80 per cent capacity. If the margin of profit or the volume of business increases a better position for the shareholders may result. The situation, therefore, is that dividends are not being earned, that the company is in good shape from an operating standpoint, and that no one can tell when dividends may begin.

Hiram Walker-G. & W.

What is your opinion of Hiram Walker-Gooderham & Worts?

All liquor stocks must be bought with a full realization of the legal hazards attaching to such stocks. The effect of legislation such as that being passed at Ottawa is hard to determine so far as extent is concerned. It undoubtedly will have some effect.

On the other hand, Walkers is in a remarkably strong financial position, holds surplus liquor stocks of 13,000,000 gallons against which there is not a cent and appears likely to be able to sell on the Atlantic Coast a part of the export whiskies which can no longer be cleared for export to the United States around Detroit or other points along the border.

Burns & Co.

What do you think of P. Burns and Co. as a company in which to invest about $1,000?

You have not indicated in your letter whether you are interested in the first mortgage bonds, the 6 per cent cumulative preferred or the common stocks of Burns & Co. The bond interest in 1929 was earned 1.80 times after depreciation as compared with 2.53 times in 1928. The preferred earned $7.04 a share while $6 a share was paid, leaving 73 cents a share earned on the common stocks. Nothing was paid on the common stock. There was $2.42 a share earned on the common stock in 1928.

Taking a period of six years, the bond interest seems to have been well protected by earnings. In years of depression the earnings have not been sufficient to make the preferred dividends sure. The company is well managed with a good record and over any term of years where there is not too great a disturbance of commodity prices the company should give a good account of itself.

Great Lakes Paper

We would be glad of your opinion of Great Lakes Paper Company Ltd. 6 per cent bonds, due November 1, 1950.

At the time of the issue of the Great Lakes Paper Co. 6 per cent first mortgage bonds, there was some scepticism as to the company's ability to operate profitably under the then prevailing prices of newsprint.

Since then, however, the position of the bond seems to have improved materially. The plant is one of the most modern in the newsprint industry and the proximity of the timber limits to the mill makes for economical operation.

The company is stated to have a constant outlet for its products in the middle-western states and while perhaps the issue should not be recommended for the most conservative investors, there would seem to be no objection to including it in a diversified list for the average investor.

Abitibi

I have been considering for several weeks past, purchasing some newsprint stock. Abitibi Power & Paper preferred stock has been recommended to me as being a good purchase at present. What is your opinion on this move?

Abitibi Power and Paper preferred stock is a good investment medium for a business man. The company last year was able to show earnings of approximately $1.90 a share on its common stock, which is considered as exceptionally good, in view of the conditions which prevailed in the newsprint industry. Since that time the company has acquired Provincial Paper, which should provide for a greater diversity of output, and have the effect of stabilizing earnings. Further, we think that the securities of Abitibi Power and Paper Company are likely to reflect more quickly any changes for the better in the newsprint industry.

Blue Ribbon

Kindly give me your opinion on the common stock of Blue Ribbon Corp.

Blue Ribbon Corporation is a new holding company formed to take over both the Pure Gold Manufacturing Company and Blue Ribbon Limited by an exchange of its stock for theirs. It is expected that economies will follow the consolidation of the two companies, one company doing the distributing of the products of both companies in the West, while the other company will do the distribution of both companies in the East.

Recent appreciation in the stock seems to reflect trading hope that the amalgamation will effect some of the economies hoped for and thus strengthen the position of the stock. It is reasonable to expect this though only a statement from an authoritative source as to the exact result of operations since consolidation will make it certain.

Investing for Income

Being at an age when I am more interested in income than appreciation, I would say that I hold 168 of the new shares of International Nickel at the cost to me of $6.

As you know, the present income from that is only about 2½ per cent on the market value, so I am thinking of exchanging these for:

10—Bell Telephone Company
35—B. A. Oil—new
5—Consumers' Gas
25—Consolidated Bakeries
25—Hunts "A"
10—F. N. Burt.
10—Shawinigan
10—Postal Telegraph—preferred

which would return an average income of about 5¾ per cent.

I would appreciate your opinion in regard to above.

As you are at an age when you are more interested in income than in appreciation, your proposal to sell International Nickel and invest in the stocks shown in your letter may be considered a good one.

So long as you keep market conditions of the companies whose stocks show the highest yields under reasonable survey, so as to protect yourself against any change in conditions which would affect earnings and therefore dividends, your list as given to us is good.

General Steel Wares

I hold some of the preferred shares of General Steel Wares. Since purchasing this stock, it has slipped off in value, and I would appreciate knowing the reason for the decline. Your answer to this question will be appreciated.

The decline in the value of the preferred stock of General Steel Wares is a reflection of the financial statement brought out for 1929. That report showed that the company did little better than earn its preferred dividends.

The current market price further is a reflection of the volume of business being handled this year. During the first quarter of the year, it is understood that sales, while satisfactory, were under those reported for last year. If this trend continues throughout the year, it is apparent that the company will not be able to show as good earnings as it did last year, which, in turn, were less than the year before.

CANADA PAVING EARNINGS LOWER THAN EXPECTED

Profits Almost Covered Requirements on Two Preferred Issues

Profits from operation of Canada Paving & Supply Corp., according to the annual statement for the period ended January 31, 1930, amounted to $511,379. After deducting $200,000 for depreciation and more than $100,000 to provide for taxes, loss of sale of equipment, option deposit written off and excess of expenses as well as $140,000 for preferred dividends there was a surplus for the year of $67,717.

This was equivalent to $10.39 earned on the preferred 7 per cent cumulative convertible preference shares on which dividends were paid and $5.42 a share on the 6 per cent non cumulative redeemable convertible preference shares on which no dividends were paid. There are 20,000 shares of the 6 per cent non cumulative stock outstanding.

This left nothing available for the 60,024 shares of no par value common stock.

CONSOLIDATED PROFIT AND LOSS ACCOUNT
14 Months Ending Jan. 31

	1930
Profit from operations	$511,379
Less: Depreciation	200,000
Excess of expenses	46,882
Loss on sale of equip.	16,780
Option deposit writ. off	20,000
Prov. for income tax	20,000
	$207,717
Preferred dividends	140,000
Surplus for year	$ 67,717
Earned on 7% pref.	$10.39
Paid on 7% pref.	7.00
Earned on 6% pref.	5.42
Paid on 6% pref.	....

The period under review covers fourteen months, but severe weather conditions prevented operations being carried on in December and January last and the profits shown were all made during an operating period of twelve months. Current assets are shown at $1,767,303 and current liabilities at $1,044,958, leaving working capital at $722,345.

The current assets include an item of $1,320,156 due the company for trade accounts receivable and of this Louis A. Merlo, president and managing director, explains that approximately $1,000,000 is owing by various municipalities. He states that the company laid out approximately $420,000 on capital expenditure, including new buildings and equipment, the purchase of the steamer Aragan, improvements to the barge Great Western and the purchase of the National Pavers Company and the National Gravel and Fuel Company. He says that from these investments substantial profits have already accrued.

Dominion Tar Expansion Progresses on Schedule

From Our Own Correspondent

MONTREAL. — Dominion Tar and Chemical Company's development programme is continuing on schedule. New plants of subsidiaries at New Westminster, Swift Current and an addition to the Vancouver Creosoting unit are expected to come into production by the end of May while Fibre Conduits, Canada, at Cornwall has now settled down to normal operations.

Creosoting plants were busier than usual during the winter with Vancouver working at capacity and other units busy on substantial orders. The summer is expected to bring a further influx of business, while active sales of tar for road making are anticipated.

Closer co-operation between the various units comprising Dominion Tar and Chemical Company has been brought about by the parent company increasing its holdings in Canada Creosoting and Alberta Wood Preserving Company while the total minority interest in Alexander Murray Company was acquired last year.

When Women Invest

A WEEKLY FEATURE

Should Seek Greater Marketability

Will you kindly appraise the following list of my investments, suggesting any profitable changes? Would you advise selling the Calgary bonds and investing in 30-year 6% Collateral Trust Sinking Fund Bonds of Beauharnois Power Corp.?

(1958) Province of Alberta 4½%, $500.

8 shares, no par value, 2nd Can. Gen. Investment.

Calgary Power Co., 6% Preferred, $600.

Alberta Wood Preserving, 7% Preferred, $500.

1935, City of Calgary, 5% bonds, $2,000.

1947, Riverside Iron Works, 7%, $500.

Can. Co-op. Wool Growers, 6 shares, $60.

Province of Alberta Treasury Certificates, $2,000.

London Life Insurance Bond, $1,500.

Southern Sask. Co.-op Stockyards, $200.

What common stocks would be safe for me?

Though you would sacrifice a certain amount of security by selling your City of Calgary 5 per cent bonds and purchasing the 6 per cent 30-year collateral trust sinking fund bonds of Beauharnois Power Corp, the agreements made with the Ontario Hydro-Electric Commission and large private users of power for delivery of power when Beauharnois project is completed give reasonable assurances of security in connection with this bond and a larger income as well.

In dropping slightly your ideal of safety in this part of your list it might be well for you to consider strengthening it in other places. All the companies (except the Southern Saskatchewan Co-operative Stockyards of which we have no financial information), have good records, and in that respect your choice is justified. Your position would be strengthened, however, by drawing away from stocks and bonds of rather slow marketability such as the Canadian Co-operative Wool Growers' shares, and the Southern Saskatchewan Co-operative Stockyards stock. The Alberta Wood Preserving Co. has a good record, and it is now controlled by Dominion Tar and Chemical. When a good price is available for you, we would suggest that you change into a stock or bond which has wide distribution and is easily sold at ascertainable prices.

The doubt as to marketability applies with even more force to stocks of co-operative companies, especially where these are restricted to certain classes of holders. Your market, if you have to sell, is thus restricted, and in a bad year for farmers your stock might be hard to sell at a reasonable price.

Riverside Iron Works has a good history and since 1928 has been under the control of Dominion Bridge which can be depended on to see that the bonds are well serviced.

Among common stocks which, from the standpoint of safe income, ready marketability and (in some cases) possible appreciation, we believe would be suitable for you, we might mention here the following: Canadian Pacific new common which will give a steady income with the possibility of rights in time, Bell Telephone which gives a steady income and "rights" from time to time when new capital is required and the Dominion railway commission permits; Consumers' Gas common stock whose 10 per cent dividend is practically assured, the arrangement with the city of Toronto as to the rates charged; Steel Co. of Canada which should show gradually increasing earnings over a term of years; and such trust and loan company stocks as National Trust, Canada Permanent and Toronto General Trusts.

STANDARD PAVING COMMON EARNS $3.54 PER SHARE

Repurchased $97,300 Cons. Sand and $55,500 Co.'s Preferred

Standard Paving and Materials had net profits of $554,268 for the year ending March 31, 1930, equivalent to $36.95 on 15,000 shares of 7 per cent cumulative redeemable convertible preferred stock, and $3.54 a share on 104,872 shares of no par value common stock outstanding after paying $79,216 in preferred dividends of Consolidated Sand & Gravel. The total income was $805,987, but from this $200,000 was deducted for depreciation and depletion, and $42,855 for income tax reserve. After dividend payments there was a surplus of $160,944 to carry forward, making a total earned surplus on the balance sheet of $1,143,824.

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year Ending March 31

	1930
Net income from oper.	$ 747,150
Other income	58,837
	$805,987
Less: Income tax reserve	42,855
Deprec. and depletion	200,000
Res. for doubtful accts.	5,000
Res. for sinking fund	3,864
Net profit	$554,268
Less: Preferred dividends	104,364
Common dividends	209,744
Pref. divs. Cons. Sand & Gravel	79,216
Surplus for year	$160,944
Prev. surplus	982,880
Balance carried forward	$1,143,824
Earned on pref.	$36.95
Earned on common	$3.54
Paid on common	$2.00

The current assets amounted to $1,049,239, all of which is made up of cash, securities and receivables, except inventories and work in progress amounting to $54,161 and the surrender value on insurance policies of $10,160. Current liabilities amounted to $206,437, of which reserves for federal income taxes amounted to $60,667. The depreciation and depletion reserve amounted to $1,108,238, practically one-third of the valuation of the fixed assets. The company has repurchased $97,300 par value of the preferred stock of its subsidiary, Consolidated Sand & Gravel and $55,500 of its own preferred stock, the latter being cancelled.

LANGLEY CO. EARNS AT RATE OF $5.22

Net operating profits of Langley Co. for the year ending December 31, 1929, amounted to $145,696, or $134,578 after making provision of $11,119 for Dominion income taxes. An amount of $16,493 was transferred to capital surplus, $19,274 paid out in dividends on the preference stock leaving $98,811 available for the 20,000 no par value common shares which is equivalent to $4.94 a share.

Current assets amounted to $235,519 and current liabilities to $52,504, making the working capital $183,014.

Fixed assets are shown at $1,095,535 with a reserve for depreciation of $112,550. The capital surplus now stands at $290,466 and the earned surplus at $98,811.

PROFIT AND LOSS ACCOUNT
For Year Ending Dec. 31

	1929
Net operating profit	$144,549
Add Miscellaneous income	12,988
	$157,537
Less: Int. on mtges. & loans (b)	11,841
Prov. for income tax	11,119
Net profit	$134,577
Trans. to capital surplus	16,493
Preferred dividends	19,274
Surplus	$98,810
Earned in pref. (a) (c)	$22.43
Earned in common (a) (c)	$5.77

(a) Before transfer to capital surplus.

(b) Mortgages and loans retired after May, 1929. None are now outstanding.

(c) As the interest charge of $11,841 may properly be treated as non-recurring and may be added to $134,577 to show a total annual earning power at the rate of $146,418 available for a year's preferred dividend requirement earnings on this basis may be calculated at the rate of 3.48 times a full year's preferred dividend requirement of $42,000 and $5.22 per common share, comparing with 2.87 times preferred dividend requirements and $3.92 per common share for the previous year.

Extend Manitoba Hydro

Extension of the provincial hydro system to all main centres of the province within the next three years is the aim of the Manitoba Government, as outlined by Hon. D. G. McKenzie, administrator of the power system, calling for expenditures of $2,660,114 which includes $902,808 for transmission lines and $220,000 for farm services.

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Canadian Copper Refiners Limited will own and operate in Montreal East an electrolytic copper refinery with a rated capacity of 75,000 tons of refined copper per annum. Arrangements have been made to commence construction in May, 1930, and it is expected that the refinery will be ready for operation by January, 1931.

For two years ended December 31st, 1929—the first two full years of operation—gross and net earnings of Noranda Mines, Limited (the guarantor Company), were as follows:

Year Ended	Gross Earnings	Net Earnings
December 31st, 1928	$3,494,177	$1,360,256
December 31st, 1929	6,708,442	4,287,173

Annual interest requirements on these Bonds — $150,000.

Since November 30th, 1929, the capacity of Noranda's smelter has been practically doubled.

Net current assets of Noranda Mines, Limited, as at December 31st, 1929 (after deducting all current liabilities), amounted to $5,204,295.

Noranda Mines, Limited, has entered into agreement with Canadian Copper Refiners Limited, which will assure the Company of sufficient revenue to provide for all operating expenses, bond interest and sinking fund, in addition to which, principal, interest and sinking fund of these Bonds will be unconditionally guaranteed (by endorsement) by Noranda Mines, Limited.

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Our May Investment List contains a brief discussion of present investment conditions and includes a number of carefully chosen income producing bonds and preferred stocks for investment. A study of this list will assist investors in the proper selection of sound investment securities.

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CLARIDGE APTS. DOES NOT EARN BOND INTEREST

Clarendon Properties Are Confused With Clarendon Apartments

Announcement in The Financial Post of May 1 that the Royal Trust Co., as trustee would take over and manage the Clarendon apartments, Toronto, because the management was unable to meet interest payments on bonds outstanding was due to an unfortunate confusion between "Clarendon Apartments, Ltd." and "Clarendon Properties, Ltd.," builders of the Claridge. It is the Claridge, not the Clarendon, which is in difficulties.

Claridge apartments was built in The Hill district of Toronto by Clarendon Properties, Ltd., which had no direct connection with Clarendon Apartments, Ltd., which built the Clarendon just across the street. The Claridge is of the "de luxe" type of apartment building containing about 44 large suites for which exceptionally high rents were asked. Rents have been reduced several times, but the building continues only 50 to 60 per cent rented.

The Royal Trust as trustee for the bond issue has called a meeting of bondholders for May 27, when official announcement will be made that the management is forced to pass the interest due May 1. It is expected that capital expenditure will be proposed to alter the interior of the building within the next few months to give it greater rentability.

The Claridge was financed by a bond issue of $700,000 of seven per cent first mortgage bonds equivalent to about 83 per cent of the appraised value of the finished building. Some of the bonds have been retired so that the interest due on May 1 was between $23,000 and $24,000. The bonds are cumulative and it is hoped that interest may be renewed within a year or two so that bondholders will not suffer in the long run.

The Financial Post understands that the affairs of the Clarendon are satisfactory and there is no possibility of it defaulting on bond interest.

Canada Northern Power Quarterly Earnings Gain

From Our Own Correspondent

MONTREAL. — Growing demand for electric power in the Kirkland Lake and Rouyn mining camps is reflected in the higher earnings reported by Canada Northern Power Corporation Limited, whose subsidiary companies serve these northern territories exclusively.

Net earnings for March this year showed an increase of $9,908.69 as compared with the net for March of last year, while net earnings for the first three months of this year show an increase of $16,566.61, as compared with the corresponding period of 1929, having amounted to $580,757, as against $564,190.

Wall Street Holidays

There are folks who believe that the summer of 1930 will see a real bull market. At any rate, it is reported that Wall Street houses are persuading employees to take holidays early.

Starke Moves Up

Col. Robert Starke, president of Canadian Terminal System, has been elected chairman of the board and G. L. Laffoley, vice-president, has been elected president in his place.

Tape Readings

Noranda

Noranda staged a rather smart recovery on Tuesday despite the situation in the copper market, which was worse. The reason for the comparative strength of Noranda apparently was a report that Noranda's ore being milled has a gold content equivalent to four cents per pound of copper. This could not be confirmed. Last year, the gold receipts of Noranda were equal to 2¾ per pound of copper.

* * *

Brazilian

Brazilian's rapid recovery, following a somewhat dismaying drop, was a tribute to the market sponsorship of the stock and the wide distribution that has been obtained, as well as to the intrinsic merit of the issue of the long pull now that the fiscal problems of the country have been solved, at least for the moment, by the San Paulo loan. Incidentally, of course, sight is not lost of the fact that a condition of the loan is the gradual liquidation of the coffee surplus.

* * *

Mining Mart

Resumption of marginal trades, it is proved, is not the only thing needed to stimulate the mining market. Public confidence is not easily restored—it must await the moment when the public has money for mining speculation.

* * *

Bonds

The only corporation bond issue of any consequence in the last week was that of Noranda's refinery at Montreal East. The issue, it is reported, was quickly absorbed, mostly, of course, by institutions. The corporation bond market has not displayed much life, but the issues that have come out have met with some success, and it is probable that there will be no hesitancy in bringing out sound issues in the near future. The money market is favorable; the only unfavorable factor is the psychological disinclination of the average, as distinguished from the institutional and large investor to purchase at the present time. It is said that one large real-estate issue recently was placed in the hands of not more than four clients.

* * *

Beatty Bros.

Beatty Bros., whose stock is traded in on the Toronto Curb, is doing excellent business. On May 3 the company shipped two solid trainloads of home laundry equipment, the largest of its kind ever made in Canada. The equipment consisted of more than 4,000 Beatty Washers and over 4,000 sets of Beatty laundry equipment, and were shipped to the company's branches in all important centres from coast to coast.

* * *

International Nickel

The Dyer-Hudson wire from New York predicts that International Nickel can earn $5 per share on 12-cent copper and $6 per share on 15-cent copper, New York was never more bullish on Nickel than at present for the long pull and the copper situation is not worrying those who are holding and who are acquiring the stock. One of the favorable factors as regards Nickel is that it can regulate its copper output by market demand, while supplying the Nickel market.

SERVICE STATION PROFIT GROWING; NEW ISSUE SOON

Rapid Expansion Accompanies Growth in Company's Earnings

Report of Service Stations, Ltd., for the year ended December 31, 1929, shows earnings of $48.50 per share on the preference and preferred "A" shares, $6.34 on the Class "A" common shares and $4.97 per share on the combined Class "A" and Class "B" common shares. This compares with $36.75, $5.10 and $2.87 for 1928. It is stated that 1930 business so far has been better than that of 1929.

Accompanying the annual report is a notice of a special general meeting of shareholders following the regular meeting on May 16, to vote on a by-law to authorize the issuance of $2,000,000 additional of preferred stock and 50,000 shares of Class "A" stock. It is possible that the Class "A" stock will be offered to shareholders in the form of rights.

To Strengthen Working Capital

Although the company, owing to absorptions and other expansion, is much larger than it was a year ago, so much cash has been spent on improved manufacturing facilities, that it is deemed advisable to strengthen the working capital position of the company. The situation now is:

	1929	1928
Current assets	$5,347,757	$4,808,908
Current liabilities	2,002,583	1,473,339
Working capital	$3,345,174	$3,335,569

Gross earnings in the year totalled $1,804,060, compared with $960,732, but, of course, this increase in part is due to the acquisition of new subsidiaries. Patent rights and licenses have been written down to $1, by the appropriation of $328,273 from the surplus. A further deduction from surplus is $252,012, which was created in the case of two California companies. It is stated, however, that these companies now are operating at a good profit.

Cash is Lower

There is a reduction in cash, marketable securities and other quick assets, compared with the pro forma balance sheet issued on the occasion of the last financing in June, 1929. Likewise, there is now a bank loan of $968,815, which did not appear at that time.

Gross assets are $16,096,856, compared with $14,788,930 of the pro forma balance sheet published in June, and $6,044,712 as of December 31, 1928. Fixed assets now total $10,639,507, of which $3,800,151 is the depreciated value of plant and equipment, $6,078,085 is premium paid for shares in subsidiary companies and $761,270 is investment in subsidiary companies whose balance sheets are not consolidated with that of Service Stations.

Issued capitalization now consists of 12,621 shares of 6 per cent convertible preference shares, 14,950 of 6 per cent convertible class "A" shares, both of $100 par value, and 188,292 Class "A" common and 50,000 of Class "B" common of no-par value. The voting power rests with the Class "B" unless preferred dividends on the three prior classes of stock are in arrears. The Class "A" common is preferred up to $1.60 per year. The present rate is $2.60 annually.

Following is the profit and loss account compared with that of the previous year:

	1929	1928
Gross oper. profit	$1,804,060	$960,732
Deduct:		
Deprec.	328,127	123,931
Reorg. Bennett Pump	......	149,554
Taxes prov.	143,540	84,239
Net profit	1,337,373	603,008
Deduct:		
Pref. div.	79,750	22,500
Bennett div.	......	51,668
Pref. "A" div.	67,350	......
Class "A" div.	306,016	163,925
Class "B" div.	107,500	20,000
Interest‡	34,827	......
Surplus for year	741,949	344,914
Profit on invest.	......	70,066
Previous balance	1,203,198	788,218
Surplus of subs.	787,475	......
	1,990,673	......
Deduct:		
Patents writ. down, etc.	328,273	......
Res. re subsids.	252,012	......
Balance forward	2,152,338	1,203,198

‡ Paid in lieu of dividends to vendors of subsidiary companies purchased.

WOOD, ALEXANDER EARNINGS INCREASED

Annual Report Shows Earnings of $14.77 a Share on First Preferred

Wood, Alexander and James, Ltd., of Hamilton, with gross profits of $149,041 for the year ended January 31, last, earned its bond interest five and a half times after provision for depreciation and income tax.

Net profits for the year were $96,119 which is equivalent to earnings of $14.77 a share on the outstanding first preferred shares as against $13.28 a year ago. After payment of first preferred dividends and dividends on the privately held second preferred there was left a surplus for the year of $43,297 equivalent to $6.66 a share on the outstanding common stock. No common dividends are paid as dividends on the second preferred are in arrears from January 31, 1925.

A previous surplus of $83,228 added to the $43,297 brought the balance carried forward from profit and loss account to $12,525. The company has also a working capital of $776,285.

Assets are shown in the balance sheet at $2,116,683. Of these the largest item is current assets of $918,862. Fixed assets at cost are shown at $682,619 and goodwill at $500,000.

Income & Surplus Acct. Years Ended Jan. 31

	1930 $	1929 $	1928 $
Profit for yr.	149,041	138,894	119,731
Less:			
Depreciation.	16,521	15,685	15,847
Def. chgs.	......	8,769	9,015
Bond int.	20,715	21,660	22,440
Inc. taxes	15,686	6,460	4,409
Net profits	96,119	86,320	68,020
Div. 1st pf.	45,500	45,500	45,500
Div. 2nd pf.	7,322	......	......
Surp. for yr.	43,297	40,820	22,520
Prev. surplus	83,228	42,408	19,888
Bal. carr. fwd.	126,525	83,228	42,408

Montreal Grain Deliveries Show Some Improvement

From Our Own Correspondent

MONTREAL. — Deliveries of grain into steamers from Montreal Harbor Commission elevators up to May 3 of the current year, were almost 1,000,000 bushels more than deliveries to the same date in 1929, an indication that the demand for Canadian wheat overseas is strengthening. There has been shipped from Montreal or loaded for shipment, 4,103,077 bushels, as compared with 3,263,576 bushels in the same period in 1929. Total receipts to May 3 were 2,428,013 bushels, which is slightly under that of the previous year, due to the large supply in store at Montreal at the commencement of navigation.

Grain in storage at the Commission elevators was 11,537,380 bushels, while eleven lake boats were under load in harbor holding an additional 1,001,486 bushels. Receipts to May 3 by water were 2,177,786 bushels, as compared with 929,607 delivered in the same period last year, indicating increased activity in grain deliveries to Montreal in the first two weeks following canal opening.

Aviation Corporation Forms New Subsidiary

From Our Own Correspondent

MONTREAL.—Steady expansion of Aviation Corporation of Canada is reflected in the formation of another subsidiary to be known as Canadian Aerial Surveys, Limited. The company will be solely a ground organization and will care for work which has hitherto been done by Interprovincial Airways. It is, in fact, a segration of the technical end of Interprovincial's survey work, and it will not be engaged in flying operations.

Aviation Corporation of Canada is reported to be making satisfactory progress in welding together a comprehensive aerial organization. In addition to its newly formed subsidiary it controls Interprovincial Airways, Transcontinental Airways and Canadian Airways. The latter company is handling several important mail contracts.

A service between Montreal and Detroit has been maintained with success, another between Montreal and St. John, New Brunswick, is now in operation, while Transcontinental Airways will inaugurate a summer service between Ottawa and Quebec. Interprovincial Airways is engaged in survey and transportation work and it is stated that the outlook for survey work this season is encouraging. Its operations should be materially facilitated by the operation of Canadian Aerial Surveys.

Further expansion of Aviation Corporation is anticipated in the future. What form this will take has not been announced; indications point to an eventual affiliation with Western Canada Airways. If such a merger were consummated, Aviation Corporation would control the strongest chain of airways in Canada. Western Canada Airways is a potent factor in western flying and maintains a large fleet and an efficient service in the prairie provinces.

Can. Toledo Scale Retires Preferred

The entire outstanding amount of preferred stock of the Canadian Toledo Scale Co. was retired on May 1 at $110 per share. It is stated that this was accomplished out of current assets. The company's sales for 1929 are reported to have shown an increase of 36 per cent over sales in 1928 and sales for the first quarter of 1930 are said to equal the 1929 sales in the corresponding quarter. The company manufactures a wide range of weighing devices.

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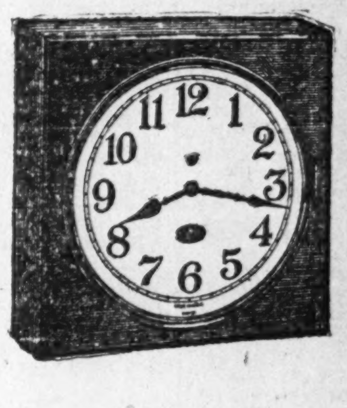

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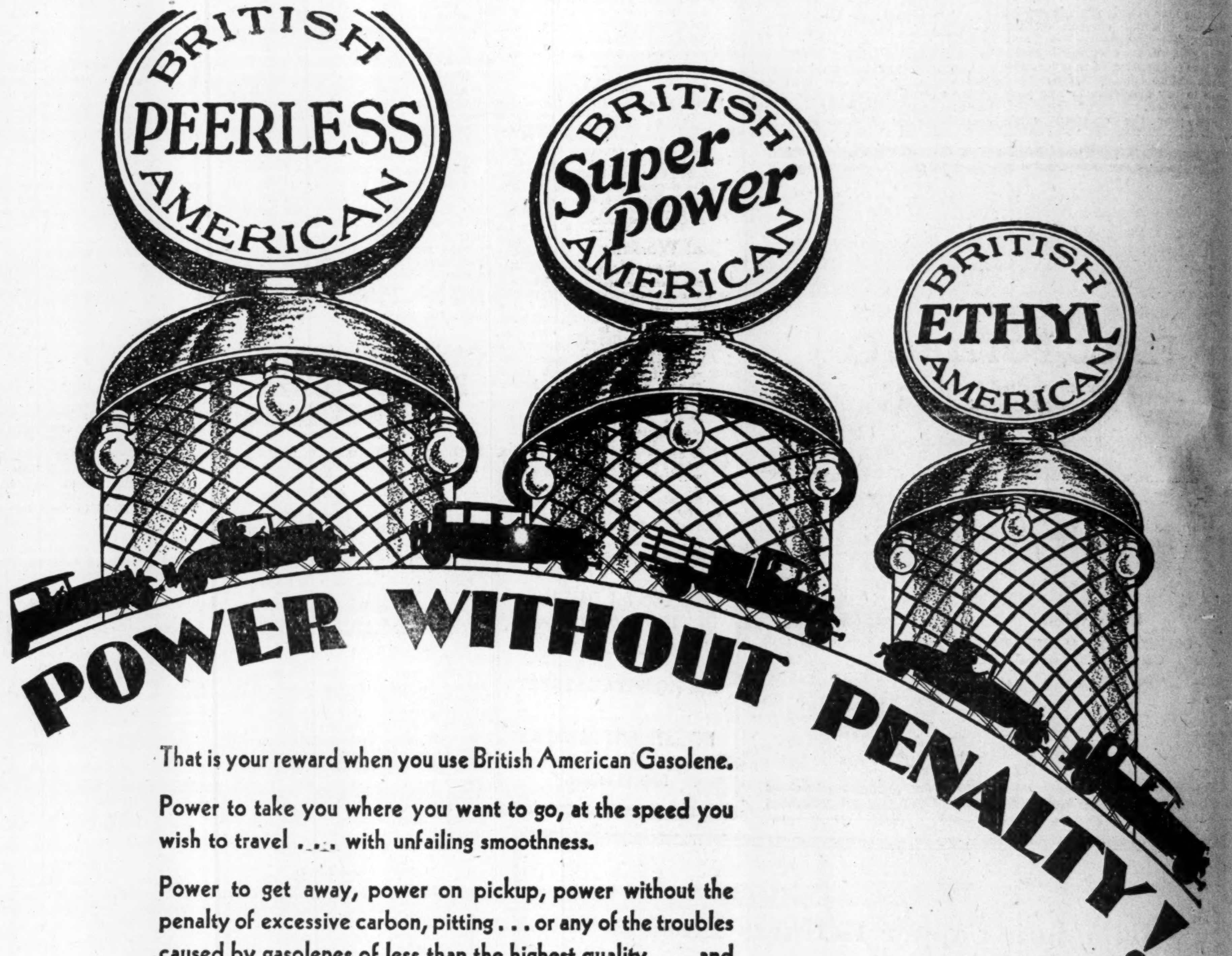

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SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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BUSINESS PAPER EDITORS SHOW EFFECT OF BUDGET ON TRADE

Supplementary Auto Tariff And Some New Plants Seen

Nation-Wide Survey Shows Business Men Favor Tariff

DISAPPOINT TEXTILES

But Most Industries Find Much of Value in Most Important Revision Since 1896

Favorable reaction to the Dunning budget by business men in all parts of Canada is seen in a survey made this week by The Financial Post through the medium of Canadian business papers. Editors of business papers in all parts of Canada were approached by The Post as to the effect of the budget on their particular field, and the results present an interesting and valuable cross-section of informed business opinion as to the probable effects on business of this important piece of legislation.

Iron and Steel Plants Are Well Pleased

Editor, Hardware & Metal, Toronto

Probably the outstanding feature of the budget is the entire revision of the iron and steel schedules and the new tariff rates established for the many new classifications of commodities made necessary by the changes which have taken place in the industry since the last reclassification was made 22 years ago. The interests of the three chief steel producers in Canada are very different and the tariff revisions have been made with that in view.

Dominion Steel & Coal of Sydney, N.S., is pleased with increased rates on ingots, blooms and billets, and with the bounty of 49½ cents per ton of coal used for coke in the production of pig iron and steel. Algoma Steel at the Soo, is particularly interested in increased tariff protection on structural steel made in Canada. Other Canadian steel producers while affected to some extent by tariff reductions on bolts and nuts, nails of certain sizes, corrugated sheets, etc., have been given compensation by higher duties on wire rods used in making farm fencing, galvanized sheets, the promise of a tariff on black sheets used for galvanizing and tinplating and other changes on more primary materials.

More Expansion Expected

There are indications that the Canadian iron and steel industry will be put on a stronger footing, and also that considerable plant extension will take place in the case of certain Canadian and United States firms operating in this country. A new plant for making of sheets has been rumored for Montreal district, and there have been reports of big plant expansion of U.S. firms in Canada. Whether the U.S. Steel subsidiary at Ojibway, Ont., will spend over $20,000,000 in the next five years on plant extension remains to be seen but meanwhile a tinplating and galvanizing mill is being rushed to completion.

On electric vacuum cleaners, domestic refrigerators, washing machines and wringers all tariffs have been considerably reduced. Compensation has been provided in the case of washing machines by reductions on tubs, frames and fittings and other materials imported by manufacturers. The intermediate and general tariff rates on butts and hinges have been increased together with reductions in the tariff on steel imported by manufacturers of these lines. Lawn mowers are reduced on all schedules and the British preference has been cut on cutlery. The general reduction in rates on precision tools is welcomed because this is a line not yet made in Canada.

Opportunity for Britain

An important feature of the tariff changes on other hardware commodities is that the British preference only has been reduced. This includes many lines such as gas, coal oil or other lighting fixtures and appliances, electric telegraph and telephone apparatus, wireless and radio apparatus, guns and rifles, etc. Whether or not this will make any material change in the nature of Canadian business depends upon how aggressively British firms take advantage of the situation. There are many who doubt if this little extra preferential treatment in the tariff will make any appreciable difference. It is held that Britain has had a big advantage in wage scales, in other production costs and in preferential tariff rates for some years past but has made little impression on business in many lines in this country.

The further reduction in the sales tax is welcomed particularly as it is being absorbed by many firms. It is not sufficient to bring about any revision in prices to the consumer but it will be a boon to those firms which have been absorbing it. Now that the tax is only 1% it is felt that the cost of its collection is entirely too high and some business men feel it would have been well to wipe it out entirely and let the income tax take care of the revenue. Such a move would not have been popular with firms which have been carrying large stocks on which the sales tax has been paid and the principle of gradual reduction is much to be desired.

The exemption of co-operative organizations from income taxation is a matter on which further light is wanted. It may mean much or it might mean little depending on whether or not it is applicable to the scores of co-operative retail organizations established in all lines of trade in the last year or two.

Many firms find it difficult to establish precisely the effect of the budget changes because of the far-reaching nature of many of them and the fact that compensating revisions have been made in many cases.

Car Manufacturers Expecting Amendment

Editor, Canadian Automotive Trade, Toronto

With the automobile hearing before advisory tariff board only recently concluded and the report, we believe, now in the hands of the minister of finance, it is not surprising that there is nothing in the budget affecting the automotive industry with the exception of the reduction in the sales tax. It is expected, however, that Hon. Mr. Dunning will deal with the automotive industry in a supplement to the budget which may be brought in in the form of an Order-in-Council within the next month or so.

It is known that it is his desire to improve employment conditions in the industry, and his pronouncement is eagerly awaited by all Canadian manufacturers of motor vehicles. There is nothing in the budget affecting imported cars, but these, too, may be dealt with if and when Mr. Dunning brings in his subsequent recommendations.

Post's Budget Forecast Nearly 100% Correct

The Financial Post's Forecast April 17	The Budget Action May 1
1. Higher duties on some iron and steel products to aid Besco and Algoma Steel.	1. Forecast confirmed.
2. Duties to be slashed on paints and varnishes, domestic utensils, combines and some other farm implements.	2. Forecast confirmed, except in paints, varnishes and combines.
3. Imperial preference to be increased.	3. Forecast confirmed.
4. Fruits and vegetables to be protected.	4. Forecast confirmed.
5. Sales tax to be cut from two to one per cent.	5. Forecast confirmed.
6. Income and nuisance taxes unlikely to be reduced.	6. Forecast confirmed.
7. Budget will be down at first of May and will be government's election platform.	7. Date correct. Election announced.

British Aircraft Men Get Unexpected Boost

Editor, Canadian Aviation, Toronto

Manufacturers of British aircraft in Canada are favored by the budget in a way they did not anticipate. Formerly the duty on British aircraft entering Canada was 15 per cent. This will be reduced to 10 per cent on July 1. Two years ago the arrangement was made that British-made engines entering Canada for incorporation in machines being assembled in this country would come in duty free there, but that on July 1, 1930, a duty of 15 per cent would be charged, with 25 per cent intermediate tariff and 27½ per cent general tariff. The new tariff provides that the duty on British aircraft engines entering under the preferential tariff is to be 10 per cent only, while the intermediate and general tariffs remain as planned. It is not anticipated that these changes will affect the prices of British machines assembled in Canada, but some impetus will be given the manufacture of British planes in the Dominion.

In the year 1929 the value of aircraft engines imported to Canada was $891,200, of which $522,700 came from Great Britain and $368,500 from the United States. Imports of aircraft totalled $2,388,700, of which $1,568,000 came from the U.S. and $733,500 from Great Britain.

Can. Millers Endorse Countervailing Duties

Editor, Canadian Milling & Grain Journal, Montreal

So far as the flour milling industry is concerned we are of the opinion that the tariff changes proposed by the Minister of Finance introducing the principle of countervailing duties are to be welcomed as a step in a direction which may eventually lead to a greater measure of support than the industry has hitherto received.

Our Journal has consistently urged the sound economic principle of exporting manufactured products rather than raw material, and any legislation which directly or indirectly tends to restrict the importation of goods which can be produced in Canada ought to meet with general approval. The heavy duties imposed upon products of Canadian mills entering the United States have retarded the normal growth and development of what is one of Canada's basic industries, while similar products manufactured in American mills entered Canada at much lower rates.

Metal Working Trades See Hopes Realized

Editor, Canadian Machinery, Toronto

In the metal-working industry, it appears that the proposed tariff changes in the Dunning budget are accepted as a move in the right direction. After several years of applications, conferences, etc., the iron and steel industry sees the classifications prepared by itself in co-operation with the Advisory Board on Tariff and Taxation, in operation.

This brings the iron and steel section of the Canadian Customs Tariff up-to-date, at least, although it will be sometime before manufacturers are able to decide exactly what classifications of the new tariff their own products will fall into, and just how the customs department are going to differentiate between machines, and between types made in Canada and not made in Canada.

The basic iron and steel industry has been given part of what it has been

(Continued on page 12)

DOMINION STEEL REAPS BENEFIT ON COAL BOUNTY

Should Net Approximately $400,000 or More a Year

From Our Own Correspondent

MONTREAL. — Implementing of the Duncan recommendations, through changes in the tariff, cannot help but be beneficial and helpful to the Canadian iron and steel industry, according to C. B. McNaught, president, of the newly formed Dominion Steel and Coal Corporation.

Like other companies affected, Dominion Steel and Coal has not yet been able to definitely state just how the new tariff will benefit its operations. The changes, in most instances, have been sweeping and will undoubtedly be the means of bringing considerable business to the great Maritime industry.

The most important change appears to be in the tariff on structural steel. To date this business, which runs into several millions of dollars, has been going to the United States and Europe.

May Build Plant

Dominion Steel and Coal is not in this business as yet. Algoma Steel Corporation has announced that it will open a structural steel mill as a result of the change in tariff. Dominion Steel may follow this move, as there is sufficient business in this country to keep two plants going. While it is unlikely that plans in this direction will be sufficiently mature this year to allow participation in the 1930 business, the plant should be far enough advanced to permit making deliveries next year.

Bounty Most Important

The most important item in the budget, from the point of Dominion Steel is the bounty of 49½ cents a ton of Canadian bituminous coal used in smelting operations. This company is the only steel making organization in the Dominion that will benefit to any extent under that ruling.

Dominion Steel operates its own coal mines in Nova Scotia, producing bituminous coal, and this fuel is in turn used for cooking and later in the big furnaces. While no definite figures have been issued by the management as to the percentage of its coal output which is used in steel making, it is thought that 25 per cent would not be far off the mark. For the past year, therefore, Dominion Steel used in the neighborhood of 750,000 tons of coal.

Payment of a royalty of 49½ cents a ton on that amount would give the company an additional income of close onto $400,000.

Printing Industry Ignored In Overhauling of Tariff Despite Urgency of Case

Keen disappointment prevails throughout the printing and allied industries as a result of the budget. Expected tariff revisions on printed matter failed to materialize and the printers feel that the interests of one of the leading industries in Canada has been ignored to the disadvantage of the printing and allied interests, the government and the consumer. The tariff interests of the printing industries have been passed up, while the tariff interests of the industries of much less importance have been favored, leaders in the printing trades state.

Few people realize the importance of the printing and allied industries which embraces printers, lithographers, embossers, manufacturing stationers, tag, label and carton manufacturers. According to the latest statistics from the Dominion Bureau, capital invested in these industries amounts to $96,539,647, being surpassed only by capital in the electric power, the pulp and paper and the lumber industries.

Lead in Wage Payments

The printing industries give employment to 28,607 men and women, being exceeded in this respect only by the lumber industry.

Wage and salary distribution amounts to over $39,194,481, the largest distribution of any Canadian manufacturing industry.

As far as gross value of production is concerned, the printing industry comes eighth on the list with $100,609,475, but in value added by manufacture, it is second with a net value of $72,121,030, being exceeded only by the pulp and paper industry. Since these statistics were published in 1928, the industry has grown and it today occupies a position of much greater importance.

Tariffs Are Obsolete

Despite its importance the Canadian printing and allied industries suffers from the handicap of obsolete tariffs. They neither serve the needs of the industry today nor give the government the revenue to which it is entitled. As early as 1926 the printers brought this to the attention of the Government. In 1927 the printers, lithographers, carton manufacturers and other allied interests presented their respective cases to the advisory Board on Tariff and Taxation. At the instigation of the board, the briefs were combined resulting in one of the clearest cases ever presented to the board. Opposing interests were consulted and differences adjusted, one of which was in regard to railway and telegraph tariffs, and altogether there seemed nothing in the way of following the recommendations of the printing interests for tariff revisions, which are as urgently needed in the printing industry as in any industry that has been favored in the budget just brought down.

Much Matter Imported

While it is true that the graphic arts industries have made great strides in recent years, profits for those engaged in them are extremely small for the amount of capital investment—no doubt smaller than any other large industry. Had the government revised the tariff schedule it would have resulted in many millions of dollars additional printing being produced in Canada which is now being imported. The volume of printed matter produced in Canada would be increased, enabling Canadian printers to lower present costs sufficiently to quote lower prices and at the same time to provide reasonable profits. Tariff revisions as requested would have helped the unemployment situation, by increasing the volume of work, and it should be noted that for the first time in the history of Canada unemployed printers during the winter months received pay out of union funds.

That the tariff situation is in urgent need of attention is shown by the increasing volume of imported printed matter. According to the last issue of Trade of Canada a decided increase took place during the calendar year 1928-1929. For the 12 months ending December, 1928, the total imports were $16,053,299, as compared with $18,133,242, for the 12 months ending December, 1929—an increase of $2,079,943. The foregoing includes books and printed matter.

Asks Ad Valorem Duty

One of the most important items on the printing tariff schedule deals with printed matter under clause 178, the duty being on the pound basis, 10c. preferential, 15c. intermediate and 15c. general. The printers have recommended an ad valorem duty of 25 per cent preferential, 30 per cent intermediate and 35 per cent general.

Absurdity of Schedule Shown

Sustaining the contention that in certain instances the present tariff fails to give the Canadian printer reasonable protection, and at the same time fails to give the government the revenue to which it is entitled is shown in the following imaginary case from the printers' tariff brief:

"Referring further to the articles covered by Clause 178 quoted above, we would state that the great bulk of advertising matter is being printed in several colors and naturally the more colors, the more expensive it is and as values increase the percentage of duty collected by the government naturally decreases, as shown by the following arbitrary example:

"We will imagine there is an order weighing 1,000 pounds and this order is valued at $1,000, printed in one color. The government collects thereon, $150 or 15 per cent. If printed in two colors the order is worth $1,250, and the government collects still only $150 or 12 per cent. If printed in three colors the job would be worth $1,500, and the government collects only 10 per cent. If it is printed in four colors the job is worth $1,750, and the government collects only 8 2/3 per cent. If printed in eight colors, common in lithography, the duty would be less than 4 per cent. In other words, not alone does the government lose its just proportion of revenue, but the better the grade of printing, the less the protection extended the Canadian printer."

The Canadian printer thus has a protection as low as 4 per cent on color printing and must pay 25 to 35 per cent duty on paper and 20 per cent on ink.

Continuing, the brief says:

"Under the same imaginary item as an example, the paper in the one color job of 1,000 pounds may be worth only $50, or it may be worth $250, yet the government collects the same amount of duty.

"Fifteen cents per pound at the time the present tariff was enacted, as it applies to Item 178, afforded a fair protection in pre-war days before the abnormal increase in the cost of labor and paper. It does not now afford a reasonable protection to the Canadian printer nor does it produce the revenue for the government which it would, were the duty ad valorem."

Urgent Need of Adjustment

The furniture industry is protected to the extent of 30 per cent and the Department of National Revenue has just invoked section 6 of the Tariff Act in connection with dumping American furniture into Canada. Imports in this industry amount to only $4,000,000, while the printing industry with imports now more than four times as great receives no consideration.

Obsolete tariff schedules are a detriment to the progress of the entire printing and allied industries of Canada. The schedules are in urgent need of adjustment if there are to be more men and women employed and if the industries are to properly develop and be free from the handicaps of foreign competition. The government would be well advised to lose no time in this matter.

LAKE SUPERIOR CO. PLAN ON BUILDING STRUCTURAL MILL

Regard New Budget as Bringing Benefits to Industry

Lake Superior Corp. through its subsidiary Algoma Steel Corporation will undoubtedly benefit by the budget. Its attitude toward the revisions in the tariff is well illustrated by the following official statement given out by the management:

"It is evident the Dominion Government, functioning through the capably administered tariff advisory board, has recognized the needs of a properly co-ordinated iron and steel industry in the Dominion of Canada.

"The increases in tariff granted on ingots, blooms and billets give assurance to the primary steel industries of Canada that their large investments in plant such as ore and coal, docks, coke ovens, blast furnaces and open hearth furnaces and the labor employed therein will be protected. The increases applicable on structural sections now being manufactured in Canada should enlarge our market for these sections. An expenditure of $1,750,000 was made in the past year to improve our manufacturing facilities both as to capacity and range of sections, and we heartily appreciate the step taken by the government in affording us a much needed protection. The provision in the tariff by which the Governor-in-Council may, by Order-in-Council direct that the larger structural sections which are not at present produced in Canada in substantial quantities, assures the addition of a heavy structural mill at Algoma in the near future, and this not only means an increase in product but a more even and continuous plant operation.

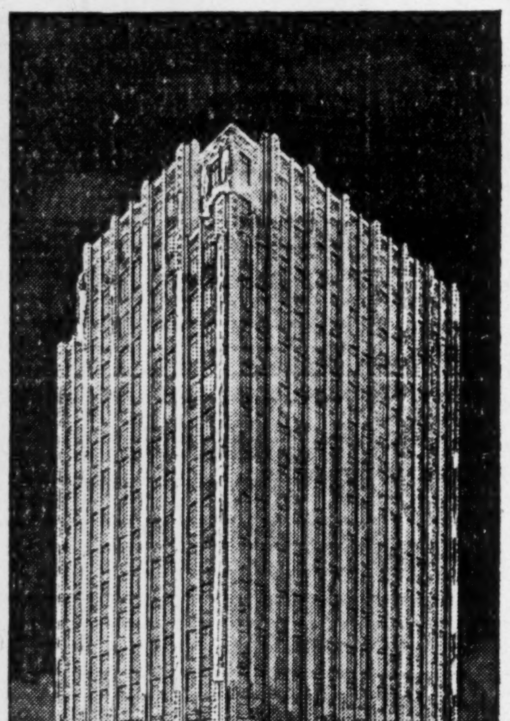
"The surtax applicable to alloy steels is an extension of the same measure of protection to the higher grades of steel which are now being manufactured in Canada and has applied to ordinary steels. Algoma has been producing alloy steels for the past eight years and has under difficulties developed a considerable market after thoroughly mastering the technique of manufacture. With the extraordinary growth in the consumption of alloy steels the Canadian market for this product should prove an important asset to the Algoma Steel Corporation.

"The provision for the application of 12½ per cent ad valorem under the general tariff on skelp when manufactured in Canada, will encourage the building of skelp mills by Canadian steel manufacturers. It is a matter to which Algoma has given sufficient attention, as we have already sufficient bessemer and open hearth steel making capacity to meet the skelp requirements of the Dominion."

Will Build Plant

Following up this announcement, W. C. Franz, president of the Algoma Steel Corporation, announces that the company will erect a large structural steel mill at Algoma.

The Dunham Differential Vacuum Heating System



LOOK FOR THE NAME DUNHAM ON THE RADIATOR

The Dunham Differential Vacuum Heating System and individual parts of the apparatus used in this system are fully protected by Canadian Patents Nos. 282,193 282,194 and 282,195 and U.S. Patents Nos. 1,644,114 1,706,401 and 1,727,965. Additional patents in Canada, the United States and foreign countries are pending.

York-Piper Building
Toronto

Owners: York-Piper Co. Ltd.
Architects: Kaplan & Sprackman
General Contractors: I. Coldoff & Co.
General Structural Contractors: Sullivan & Fried. Ltd.
Heating Contractors: Reliance Plumbing & Heating Co.
All of Toronto

Business moves *most swiftly* in a comfortable building

The dollars and cents value of comfort bulks large in business. Here is the statement of one owner of a large building.

"We are installing a Dunham Differential System not only because it will save fuel, but because our large office staff is to be housed in our building. Good working conditions for the staff will pay us the kind of returns we want for our heating investment."

Modern business men know the value of comfort and demand space that is well-lighted, well-ventilated, and correctly heated. These services pay for themselves time and again in increased office efficiency.

Dunham Differential Heating is an assurance of solid comfort. This remarkable system provides mild, unobtrusive warmth all season 'round by distributing steam at many different temperatures as changing weather conditions require. On mild and average days "cool" steam supplies the little heat needed for comfort. Radiators are warm but not scorching. They don't blister the veneer of nearby furniture nor warp the temper of nearby workers. Only on the very coldest days is old fashioned "hot" steam used.

The York-Piper Building, the latest addition to Toronto's fine downtown commercial structures, offers the advantages of Dunham Differential Heating.

Good Heating Costs Less

Dunham Differential Heating actually costs less, year by year, than ordinary "hot" steam heating. The reason is simply that the Dunham Differential System delivers the right amount of heat for comfort—and no more. There is no mild-weather overheating to waste fuel. Records of operating costs for many buildings will be gladly furnished upon request. Write for literature about "cool" steam heating.

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50,000
American Shares
Representing Capital Stock of

Italo-Argentine Electric Company

Compania Italo-Argentina de Electricidad
Sociedad Anonima
(BUENOS AIRES, ARGENTINA)

American Shares are issued by Central Hanover Bank and Trust Company under a Deposit Agreement dated April 21st, 1930, each American Share representing one share of the Capital Stock of Italo-Argentine Electric Company having a par value of 100 Argentine Pesos. The Deposit Agreement provides in substance that dividends received by the Depositary upon deposited shares of Capital Stock will be converted into dollars at the rate of exchange then current, and the proceeds (less certain charges and expenses) will be paid by the Depositary to registered holders of American Shares. American Shares will be exchangeable at any time after October 1st, 1930, for a corresponding number of deposited shares of Capital Stock of Italo-Argentine Electric Company. No voting rights attach to American Shares as such, but registered holders thereof may, subject to the provisions of the Deposit Agreement, direct the voting of the corresponding number of deposited shares of Capital Stock.

For further information as to the rights of the holders of American Shares and as to the charges on transfers or exchanges of certificates therefor, exchange thereof for deposited shares, deposit of additional shares, the collection of dividends, etc., reference is made to the Deposit Agreement, copies of which are available at the Office of A. Iselin & Co., New York.

Transfer Agents:
CENTRAL HANOVER BANK AND TRUST COMPANY (*Depositary*)
New York
MONTREAL TRUST COMPANY
Montreal

Registrars:
AMERICAN EXPRESS BANK AND TRUST COMPANY
New York
THE CANADIAN TRUST COMPANY
Montreal

The following has been summarized from information furnished by Mr. Juan Carosio, President of Italo-Argentine Electric Company. For fuller details reference is made to a circular, copies of which may be obtained upon request from the undersigned.

CAPITALIZATION

Authorized and Presently to be Outstanding

Capital Stock (par value 100 Pesos)........65,000,000 Pesos

The company has no funded debt and no preferred stock outstanding.

Italo-Argentine Electric Company, organized under the laws of Argentina in 1911, furnishes a large part of the electric light and power consumed in the City of Buenos Aires, Argentina, and surrounding districts. It owns and operates coal and oil burning steam turbine plants, with an installed capacity aggregating 100,000 Kw., and has a distributing system comprising about 2,190 miles of transmission lines. To provide for the growing demand for electricity in the territory served the company is erecting a new power plant which will have an ultimate capacity of 300,000 to 350,000 Kw. of which 100,000 Kw. should be completed and in operation by 1932.

The generation of power by this company was started in 1914. During the past eight years it increased over 82%, from 79,000,000 Kwh. in 1921, to 144,000,000 Kwh. in 1929.

Net earnings, after operating expenses, taxes and amortization of fixed assets, during the past seven years, averaged $1,788,546 per annum, and for the year 1929, after allowance of about 15% of gross revenue for amortization of fixed assets and after charging $155,000 construction interest to operating expenses, such net earnings amounted to $2,388,005. Earnings have been converted at the average telegraphic rate of exchange for each year.

Dividends on the capital stock of the Company have been paid regularly since 1917, and since 1922 have been at the rate of 10% per annum. At current rates of exchange this dividend is equivalent to $3.85 per American Share. In addition, valuable rights have been given to the stockholders from time to time.

The Capital Stock of the Company is listed on the Zurich, Basle and Geneva Stock Exchanges.

Italo-Argentine Electric Company is controlled by Motor Columbus Corporation for Electrical Enterprises and Swiss-American Electric Company, which hold a majority of the outstanding capital stock of the Company, thereby insuring a continuation of the present control and management which has been in charge of the operations of the Company since its inception.

Price on Application

We offer these American Shares subject to allotment or prior sale, if, as and when issued and received by us, subject to the approval of our counsel, Messrs. Curtis, Mallet-Prevost, Colt & Mosle, New York City, and Dr. Carlos M. Mayer, Buenos Aires, Argentina. Delivery will be made in the form of Temporary Certificates for American Shares.

NESBITT, THOMSON & COMPANY LIMITED
Montreal

A. ISELIN & CO.
New York

E. H. ROLLINS & SONS LIMITED
Montreal

The statements herein based in part upon cable communication have been accepted by us as accurate, but are in no event to be construed as representations by us.

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DIVIDEND NOTICES

The Canadian Bank of Commerce

DIVIDEND NO. 173

Notice is hereby given that a dividend of Three per cent. upon the paid-up Capital Stock of this Bank has been declared for the quarter ending 31st May, 1930, and that the same will be payable at the Bank and its Branches on and after 2nd June next to shareholders of record at the close of business on the 30th day of April, 1930. In the case of the new stock being paid for by instalments the dividend is subject to the adjustment provided for in the notice of allotment. The Transfer Books will not be closed.

By Order of the Board.

S. H. LOGAN,
General Manager.

Toronto, 17th April, 1930.

DISTILLERS CORPORATION-SEAGRAMS LIMITED

DIVIDEND No. 4

Notice is hereby given that a quarterly dividend of 25 cents per share on the outstanding Capital Stock of this Company has been declared, payable on May 15th, 1930, to Shareholders of record at the close of business on the 30th of April, 1930.

By order of the Board.

ALLAN BRONFMAN,
Secretary.

Montreal

DIVIDEND NOTICES

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after MONDAY, the SECOND day of JUNE next, to Shareholders of record of 30th April, 1930.

By Order of the Board.

H. B. MACKENZIE,
General Manager,

Montreal, 15th April, 1930.

SIMON'S

H. SIMON & SONS Limited

DIVIDEND NOTICE

The regular quarterly dividend of 1¾% on the Preferred Stock of H. SIMON & SONS, LIMITED has been declared payable the 1st day of June, 1930, to Stockholders of record as of the 20th day of May, 1930.

Also a quarterly dividend of Sixty-Two and One Half (62½c) cents per share on the outstanding Common Stock of H. SIMON & SONS, LIMITED, for the three months ending the 31st day of May, 1930, payable the 1st day of June, 1930, to Stockholders of record as of the 20th day of May, 1930.

By Order of the Board.

A. E. M. WARNER,
Secretary-Treasurer

Montreal, Que.
April 29th, 1930.

Complete Office Equipment

Your office is your best advertisement. "Office Specialty" equipment will make it look its best. We make everything for the office. Prompt service always. Talk it over with our representative—no obligation. 206

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WILLYS-KNIGHT

King of motors motor of Kings

From $1430 Up

DELIVERED FULLY EQUIPPED IN TORONTO TAXES PAID

Supplementary Auto Tariff And Some New Plants Seen

(Continued from page 11)

demanding for years. Some machinery builders, such as makers of agricultural, office, household and construction equipment will find the tariff lowered on their products, particularly because of the increases in British preference, but all of them will probably make some gain if the prices of steel made in Canada are altered to take into consideration the cutting of the sales tax and the increasing of the protection on semi-finished steel.

Tool Manufacturers Suited

Machine tool manufacturers in Canada have had the protection increased from 27½% to 30% on all lines manufactured in Canada, with the British preference rate remaining the same. On all lines of machine tools not made in Canada, the preference tariff has been lowered from 27½% to 20%, with imports from Great Britain allowed to enter free. As soon as the manufacturers decide to manufacture any particular line in Canada, of course, that line is automatically transferred from the class with lower protection to a class with higher protection. Sales of British engineering equipment will increase in Canada in view of the lowering of the British preferential tariff if British manufacturers show a greater interest in Canada as a sales field than they have in the past, or, in other words, if they determine to take advantage of the opportunity Canada is offering them.

On the whole, the proposals in the Dunning budget may be considered as satisfactory to the iron and steel industry.

Pulp and Paper Group Not Closely Affected

Editor, Pulp & Paper, Gardenvale, P.Q.

There is little in the Dunning budget that affects the paper industry. In the first place it is difficult to see how any of our plants are helped by removal of the 15 per cent preferential duty on pulp or wood or any vegetable fibre. The same treatment afforded by the budget on partly printed newspapers is considered unfavorable. Reductions in duties on publishers equipment may help indirectly if more Canadian paper was used, but heavy drawback of duty on magazine paper remains a detriment of the paper industry by encouraging imports. The budget as a whole seems to be an attempt to put this important government function on a constructive basis and appears generally acceptable.

Mining Industries Pleased at Changes

Editor, Canadian Mining Journal, Gardenvale, P.Q.

Tariff revisions of the 1930 budget while not of far reaching importance are satisfying to mining and allied industries of Canada. The bounty of 49½ cents on Canadian coal coked for smelting, indicates government sympathy and will help Nova Scotia. Increase of thirty per cent in general rate on building stone will aid domestic quarries. The downward revision affecting magnesite is somewhat obscure and it is difficult to see justification in face of struggling domestic industry. Changes in machinery tariff are minor.

A brief analysis of few increases shows they are for purpose of helping Canadian manufacturers which will meet with undoubted approval of mining men.

Textile Men Resent Being Overlooked

Editorial, Canadian Textile Journal, Montreal

Probably there is some satisfaction to be had from the fact that failing any constructive upward revision of the textile tariff schedules, Hon. C. A. Dunning in his budget speech did not mention the word "textiles" at all in a budget bristling with Empire Trade and preference sentiment. Otherwise, the textile industry is disappointed.

All the hopes of the wool representations made to the tariff board and to the cabinet are blasted. Political expediency has not required that this industry should be recognized. If a general election is in early prospect, it is apparent that the government considered the support of the textile industry either as unessential or unreliable. At any rate, the industry now knows positively and absolutely where it stands in the estimation of the present government if in fact there ever has been any real doubt on that subject.

The textile industry will generally agree with the principle of the countervailing duty provision, but the proposals only cover a very limited list of articles, and why it has not been extended to cover importations of cotton goods, silks and rayon is inconceivable. Such action would have been a real step in the furtherance of British trade with Canada, as well as of substantial benefit to Canadian industry. But here again the government has ignored a really constructive opportunity to assist both domestic and British industries because political expediency did not dictate such a step in its own interests.

Countervailing duties are held out as a plum to the farmers, but manufacturing interests and industrial workers are ignored. The cotton, silk and rayon industries, confronted with menacing and increasing importations from United States, at undervalued and "dumped" prices are ignored, although tariff on these lines from the United States would assist domestic industry, and at the same time lead immediately to increased importations from United Kingdom greater in all probability than will ever come about by reason of the iron and steel tariff revisions.

Fruit Growers Pleased But Hoped for More

Editor, Canadian Horticulturist, Peterboro, Ont.

The new budget offers some relief to Canadian growers of fruit and vegetables but does not go as far as growers hoped. Protection against dumping of United States products was their desire and combination of specific and ad valorem duties will help effect this. British preferential will encourage import of fruits and early vegetables from West Indies with which Canadian growers will have no quarrel.

Grape growers who hoped for more protection against crushed grapes and grape juice are disappointed that this was overlooked.

Implement Revisions Thought Unimportant

Editor, Canadian Farm Implements, Winnipeg

Effect of budget on implement industry in western Canada will be of little importance. What it will do to improve net returns for western farmers is what counts. The tariff as we see it is aimed to assist international trade. Western Canada imports an enormous percentage of farm equipment from United States duty free. Entry of tractors under $1,400 means nothing as Canada produces no tractors. If budget would help interest British implement factories in Western Canadian demand it should increase inter-Empire Trade. Our farmers can only meet foreign competition through power production of crops and exchange of goods to assure foreign demand for their surplus.

Budget Good News to Flower Growers

Editor, Canadian Florist, Peterboro

The budget brings good news to the growers of flowers in Canada. Heretofore imports from the U.S.A. enjoyed a 17½ per cent rate while Canadian export met a 40 per cent barrier.

The inclusion of the countervailing clause on this item will now equalize the duty and put the Canadians on a better competitive basis. Retail florists in most Ontario and Quebec cities will be little affected. Retailers in the Western and Maritime Provinces and others adjacent to the border who buy supplies largely in the States will feel the pinch of the higher duty.

Tea Preference Saves $2,000,000 Annually

Editor, Canadian Grocer, Toronto

The wiping out of the British preference of 7 cents per lb. on tea was the biggest feature in the budget from the standpoint of the food industry. On the 30,000,000 lbs. of British tea imported annually into Canada, this will mean a direct saving in capital investment on the part of merchants of more than $2,000,000 annually. Lower prices to the trade and the consumer on package teas to the full extent of the duty and in some cases more, have been announced.

The increase in the tariffs on fresh fruits and vegetables affects the canning industry. It means on the whole, higher prices for their raw materials. To offset this, there has been an increase of ¼c per lb. in the duty on certain fruits, and ½c a lb. on certain canned vegetables coming into Canada under the general tariff. These increases will amount to about 5c and 10c per dozen, on the No. 2 sized can respectively. The position of the Canadian canner is about as it was.

The countervailing duties announced on canned soups results in an increase of about 5c or 6c per dozen on goods coming in from the United States. This is considered small, and even this advantage will probably be wiped out later. The United States does not import any canned soups from Canada even though their duty amounts to 35% as against the Canadian tariff of 27½%. It is more than a possibility that the canned soup interests in the United States will get the U.S. Government to lower their tariff to an equality with ours.

The milling interests benefit by the countervailing duties on oatmeal, rolled oats, wheat flour, and semolina. Large quantities of rolled oats in bulk came into the country during the past winter from the United States, and the countervailing duty automatically raises the Canadian tariff from 60c to 80c per cwt.

The advance in the duty on beans of 95c per bushel, should effectively prevent importations of European beans in future. On the other hand no protection was given to canners of baked beans. When beans are cheap elsewhere, it may mean that the bulk of the canned product can be produced a great deal cheaper outside of Canada. This would react to the disadvantage of the grower here.

Dairy Products Industry Heaves Sigh of Relief

Editor, Canadian Dairy & Ice Cream Journal, Toronto

The main reaction of the dairy products manufacturing industry to the 1930 budget is one of relief that the ill-effects of the New Zealand trade treaty upon our industry have at last been realized, and justice, tardy but nevertheless very welcome, done to it by the provisions for the termination of that treaty at the end of the stipulated period.

The clauses providing for the free importation of pasteurizing equipment from Great Britain are not likely to be of much interest for the present, as Great Britain herself is a large importer of such equipment. Also, Canada already has a considerable industry in the manufacture of dairy equipment of all kinds which has been built up over a period of years and is fully entitled to due consideration.

It would appear that the budget will affect the dairy industry more through its contribution to the general prosperity of the country, which it is earnestly to be hoped it will enhance in every way, rather than through any direct influence other than noted above.

Baking Industry in No Way Touched

Canadian Baker & Confectioner, Toronto

The tariff in no way affects our group as far as can be learned, with perhaps the single exception of a rather indirect interest in the proposed upward revision of the tariff on butter.

Textile Mills Idle But Get No Relief

Editor, Dry Goods Review, Toronto

The textile and allied industries are in the rather peculiar position of seeing a budget brought down in which there is no change in the various items covered by their field.

While on the face of it this might seem to be satisfactory, it is far from satisfactory as far as the woollen section of the industry is concerned, and this, in its various branches of underwear, piece goods and knitted outer apparel, is a very important industry in Canada.

For some time past the woollen manufacturers have been making representations and submitting evidence to the tariff board, asking for certain changes in the act which would give them a little more protection from imported lines from England and Europe, and had hoped that this budget might contain some relief. In the various knit goods and hosiery mills throughout the country there are many machines idle because of the importation of vast quantities of low price and low grade merchandise which comes in at a price with which Canadian mills cannot compete and pay the standard wage. This is true of cotton goods as well as woollen, and in such lines as cotton hosiery they come into direct competition with the cheap labor of Japan. A stricter application of the anti-dumping clause would help somewhat.

New Branch Factories Seen by Metal Trades

Editor, Sanitary Engineer, Toronto

Considerable interest has been aroused in the plumbing, heating and sheet metal industry in the budget announcement owing to the excessively large number of items in the revised tariff which cover commodities of this industry. Outstanding are the multitudinous items of the iron and steel classifications which are mentioned. These changes will undoubtedly make a difference in the trend of trade, particularly in steel sheets for coating purposes. It has been declared that the increase in duty on galvanized sheets imported under the general tariff (which includes the United States) will force U.S. mills to open branch factories in Canada or lose the market.

As far as the changes in tariff on pipe, enamelled ware, vitreous china ware, soil pipe and heating equipment are concerned, opinion expressed by many in the industry would indicate that very little effect will be felt. In certain of these commodities the intermediate tariff has been reduced. On further investigation, however, it has been found that practically no imports have been made from countries enjoying the intermediate tariff on the commodities referred to.

Manufacturers of water pumps for domestic purposes are concerned regarding the change in tariff on these. With the revision made by the present budget, it is possible that the importation of such pumps will be materially increased from Great Britain.

General approbation has been given to the reduction of the sales tax from 2 per cent to 1 per cent, as an indication of the trend toward the complete removal of this tax.

British Must Act

To make greatest gain from the present tariff changes, it is evident from conversations with many executives of this industry, that representatives of British houses serving the Canadian plumbing and heating trades will have to be more aggressive than formerly. To offset some of the advantages to British houses, it is probable that the larger United States corporations will establish branch factories in Canada.

Fishing Industry Feels No Direct Influence

Editor, Canadian Fisherman

Certain changes in new Canadian tariff may have indirect effects, beneficial or otherwise, on Canadian fishing industry, but there are no new items of direct interest to fishing industry as far as we can learn.

Paint, Varnish Group Expected No Change

Editor, Canadian Paint & Varnish, Toronto

Reduction in the Federal sales tax from two per cent to one per cent, and the removal of an eight cent per hundred pounds British preferential tariff on gypsum and plaster of paris were changes brought about in the Dominion budget which affect the paint and varnish industry.

It was generally accepted prior to the bringing down of the budget that there would be a fifty per cent reduction in sales tax. Previous reports in the industry also had it that there was to be a revision of the tariff on paints and varnishes but these reports were not given very much credence by paint and varnish manufacturers. It was pointed out that only a preliminary hearing had been given representatives of the paint and varnish industry by the Tariff Advisory Board and that no recommendation had been made to the minister of finance by the Chairman of the Tariff Board.

Manufacturers did, however, admit the possibility of there being a revision in the British preferential duty which would affect them. Even with the tariff as it was, they said, a considerable quantity of cheap quality English paints was coming into Canada particularly the eastern provinces.

DIVIDEND NOTICES

INTERNATIONAL PAPER AND POWER COMPANY

Boston, Mass.,
April 2, 1930.

The Board of Directors has declared a regular quarterly dividend of sixty (60c) cents on the Class A common stock of this company, payable May 15, 1930, to stockholders of record at the close of business May 1, 1930.

Checks to be mailed. Transfer books will not close.

R. G. LADD,
Assistant Treasurer.

McCOLL-FRONTENAC OIL COMPANY LIMITED

COMMON STOCK DIVIDEND No. 3

NOTICE IS HEREBY GIVEN that a Dividend of 15 Cents per share, being at the rate of 60 Cents per share per annum, has been declared on the no par value Common Stock of McColl-Frontenac Oil Company, Limited, for the quarter ending May 15th, 1930, payable June 15th, 1930, to Shareholders of record at the close of business on May 15th, 1930.

By Order of the Board.

FRED HUNT,
Ass't Secretary.

May 5th, 1930.

Loblaw Groceterias Co. Limited

NOTICE is hereby given that quarterly dividends of 20c per share on the Class "A" shares and 20c per share on the Class "B" shares of the company have been declared for the quarter ending May 31st, 1930, payable on June 2nd, 1930, to shareholders of record at the close of business on May 12th, 1930. The transfer books will not be closed.

By order of the Board.

D. URQUHART,
Secretary.

Toronto, May 1, 1930.

Irving Oil Sales Show Big Gain to Date

From Our Own Correspondent

MONTREAL. — Irving Oil Company reports an increase of 36 per cent in volume of business during the first quarter of this year, as compared with the same period a year ago. Outlook for the company continues encouraging and it is expected that both volume of sales and earnings for the full year will show an appreciable increase over 1929.

CANADA.
PROVINCE OF QUEBEC.
CITY OF THREE RIVERS.

PUBLIC NOTICE is hereby given that the Council of the City of Three Rivers will receive until the nineteenth day of May, 1930, at four o'clock p.m., at the office of the undersigned, written sealed tenders, endorsed "Tender for City of Three Rivers Bonds," for the purchase of said City of Three Rivers Bonds, amounting to TWO MILLIONS THREE HUNDRED SEVENTY-SEVEN THOUSAND SIX HUNDRED DOLLARS, ($2,377,600.00), issued for various purposes, under several By-Laws, duly approved according to law, viz:

A. $1,839,500.00 issued by virtue of By-Laws Nos. 57, 58, 59, 60, 61, 62 and 63, dated May 1st, 1928, and redeemable by series of successive annual payments during forty years from said date;

B. $45,000.00 issued by virtue of By-Law No. 64, dated November 1st, 1928, and redeemable by series of successive annual payments, during thirty years from said date;

C. $35,700.00 issued by virtue of By-Law No. 65, dated May 1st, 1929, and redeemable by series of successive annual payments, during thirty years from said date;

D. $132,400.00 issued by virtue of By-Laws Nos. 64a, 66 and 68, dated November 1st, 1929, and redeemable by series of successive annual payments, during thirty years from said date;

E. $225,000.00 issued by virtue of By-Law No. 69, dated November 1st, 1929, and redeemable by series of successive annual payments, during twenty years from said date;

F. $100,000.00 issued by virtue of By-Law No. 70, dated November 1st, 1929, and redeemable by series of successive annual payments, during forty years from said date;

Two offers for above bonds are requested, one at a rate of interest of 5%, and the other at a rate of interest of 5½% per annum.

The interest on above bonds will be payable semi-annually, on the 1st of May and the 1st of November of each year. Both the principal of these bonds and the interest thereon will be payable at the holder's option, at the chief office of the Banque Canadienne Nationale, in the City of Montreal, or at any of the branches of the said bank in the City of Three Rivers, or in the City of Montreal, or in the City of Quebec.

These bonds shall be issued in denominations of $100.00 or multiples of $100.00 at the purchaser's option.

The said tenders will be considered at the meeting of the Council of the City of Three Rivers, the 19th May, 1930, at eight o'clock p.m., or so soon thereafter as the Council or its Committee can do so.

Each tender must be accompanied by a certified cheque payable to the order of the City of Three Rivers, equal to 1% of the par value of the issues. The cheque of the tenderer whose offer is accepted shall be handed to him after the completion of his contract, without interest.

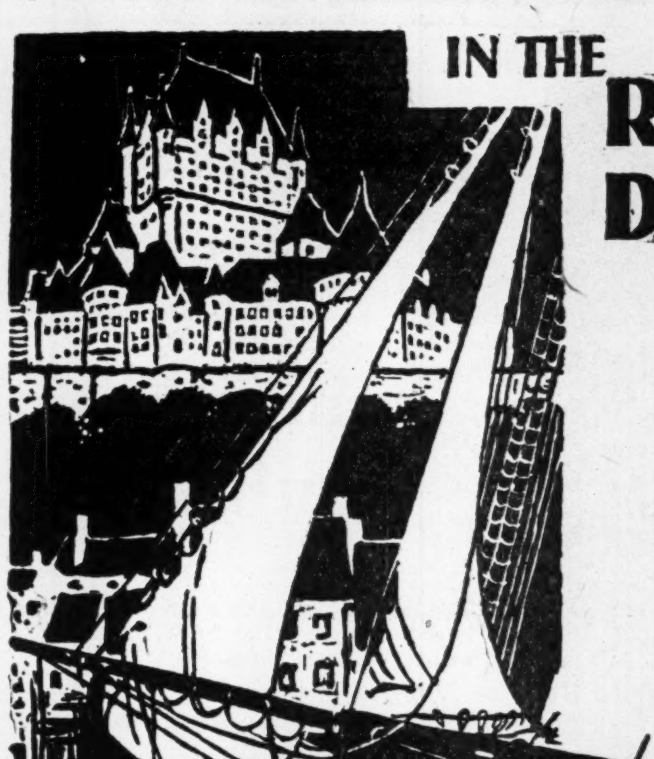
The accrued interest on the bonds must be added to the price of the bonds at the time of their delivery.

The City of Three Rivers reserves the right to reject any or all of the tenders or to accept in whole or in part any of the tenders.

Particulars of the issues and table of maturities of the bonds may be secured on application to the undersigned.

Three Rivers,
This 1st day of May, 1930.

The Treasurer of the City of Three Rivers,
JACQUES DENECHAUD.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SAY CALMONT NEWEST WELL BEST IN VALE

Two Separators Reported Inadequate For Flow

A. P. CON. IS AIDED

United Oils Also Gets Royalty on Production From Hole in Section 20

From Our Own Correspondent

CALGARY.—Calmont No. 2 well, which came into production April 27, is estimated by officials of the company to be the biggest producer in Turner Valley, not excepting Home No. 3 well, which has heretofore held the record, with a production for a considerable time last fall of over 700 barrels of crude naphtha per day.

Although the company had, prior to the production date, two separators hooked up and ready to receive the flow when it was encountered, it was found the capacity of these two separators was inadequate to handle the tremendous flow. Two more separators have been ordered, and production test will be made as soon as these are hooked up.

Flare-Pipes Too Small

Although three 6-inch flare-pipes were laid to carry the waste gas to a clear space for burning, it has been found that these are barely of sufficient capacity to carry the gas off freely. On Wednesday, April 30, the pressure in these pipes was 45 pounds; in the afternoon it had increased to 80 pounds; Thursday morning a still further increase was noticed in the exhaust pipe pressure. A fourth flarepipe has now been added.

The well will be allowed to blow itself clean for a day or so longer, before being put on steady production. At present, the well is still throwing up fragments of limestone and debris from the bottom of the well.

The Calmont wells are located in the famous section 20 of Turner Valley. Home No. 1 well was the first to obtain big production in this southerly part of the Valley, and since then Home Oil has brought in three other big producers, and Associated and Lowery have each brought in good producers in the vicinity of this section.

Pay Two Royalties

Out of production on this property, Calmont pays ten per cent to Alberta Pacific Consolidated Oils, and 6 2/3 per cent to United Oils Limited.

Calmont No. 1 well is reported to be making good progress at a depth of 85 feet in the limestone.

It is expected that either the company's No. 1 or No. 7 well will be the next to come into production, both being well into the producing horizon.

Imperial Trusts Co. to Increase Capital

Imperial Trusts Co. of Canada has been authorized by the present parliament to increase its capitalization from $1,000,000 to $2,000,000 of which $500,000 may be 5½ per cent preference stock.

The same bill has also given the company power to increase the number of its directors from nine to 21.

Herron Pete Hits Lime At Depth of 1,665 Feet

From Our Own Correspondent

CALGARY.—The Herron Petroleum well, which has been drilled only a short distance from the Moose Oils well, which has recently encountered commercial production, made contact last week with the limestone at a depth of 1,665 feet. This well is being drilled in a new field which, according to geological reports, may prove to be a large producing oil field. The shallow depth at which the limestone was encountered indicates high structural formation, giving promise of substantial production. This high formation also makes it possible to drill into the Lower Devonian limestone formation, in which large pools of crude oil are frequently found.

Herron Petroleum holds leases on 12,000 acres, blanketing this structure so that if the company succeeds in bringing in a commercial well here, it may look for big results in the future.

A thirteen-inch casing was cemented in the well at a depth of 1,420 feet.

DOMINION ENVELOPE REPORTS GOOD YEAR

Western Firm Earned Preferred Dividends in First Year

The first annual report of Dominion Envelope & Cartons (Western) Ltd., for the year ended December 31, 1929, shows net profit for the year, after all charges including federal income tax, at $39,545. Dividends at the rate of 7 per cent were paid on 4,250 shares of first preferred and 620 shares of second preferred of $100 par value, which left $5,455 applicable to 36,250 n.p.v. common shares or earnings for 1929 at the rate of 15 cents per common share. Surplus carried forward was $6,720.

The company manufactures a diversified line of paper products including envelopes, paper bags, waxed paper, etc. It was formed in 1928 through merger of three western concerns The Hitchings Paper Box Co., The Winnipeg Paper Box Co., both of Winnipeg, and the Dominion Carton and Printing Works of Edmonton. The amalgamation was brought about by Dominion Envelope and Cartons Limited, Toronto, which has continued to sponsor the western firm.

The company operates factories in Winnipeg and Edmonton installation of machinery having been completed in July, 1929. Sales are reported to have been satisfactory but the cost of doing business during 1929 was higher than ordinary due to moving to new premises and co-ordinating the various departments.

The company, as at December 31, 1929, had total assets of $787,750 of which $465,284 was in fixed assets after allowance of $28,073 for depreciation reserve; deferred charges were $8,788 and current assets $313,679. Current liabilities were $222,032 giving a working capital of $91,646. The income and surplus account is as follows:

Operating profit, year ended Dec. 31, 1929	$59,293
Add: Surplus on cash surrender value of life insur.	119
	59,412
Less: Depreciation	15,443
Donations	363
Life ins. premiums	571
Preliminary exps. written off	98
Income tax adjustment	44
Federal income tax, 1929	3,348
Profit for year	39,545
Less: 1st. pfd. dividends	29,750
2nd. pfd. dividends	4,340
Surplus for year	5,455
Add: Previous surplus	1,265
Surplus carried forward	$ 6,720

Marmon Reports Good March Sales

Retail sales of Marmon automobiles showed a 31 per cent increase in March as compared with April, according to a statement made by G. M. Williams, president of the company, at a directors meeting held in Indianapolis, May 5. Dealer stocks are maintained at only two and one-half cars per dealer, which is regarded as a good indication of a satisfactory volume of factory shipments during the coming months.

According to incomplete returns of new passenger car registrations in the United States during March, Marmon accounted for .44 per cent of all U. S. registrations as compared with only .24 per cent in March, 1929. The latter figure incidentally included registration of Roosevelt cars which have since been discontinued.

Fast Time Made at Imperial Jobs

Good drilling time is now being made by Turner Valley wells being drilled by Imperial Oil on a contract basis. During the past two weeks the progress on the majority of the wells has been the fastest made this year.

Record of Imperial Oil drilling compared with that of two weeks ago follows:

	Apr. 19	May 3	2 weeks' Prog.
Royalite 7	4,208	....	...
Royalite 11	2,472	3,112	640
Royalite 12	5,474	5,542	68
Royalite 14	3,790	....	...
Royalite 16	6,224	....	...
Royalite 19	4,723	4,880	157
Royalite 21	5,010	....	...
Royalite 24	2,759	3,102	343
Dalhousie 7	5,014	5,048	34
Foothills 3	5,615	5,663	48
Home 5	4,492	4,492	Nil
Home 6	2,698	2,735	37
N. W. Assoc. 2	4,112	4,351	239
Advance 5	5,479	5,658	179
Mayland 1	4,024	....	...
Mayland 2	4,024	4,074	50
Mayland 3	4,556	....	...
Hargal	5,219	5,274	55
C. D. & P.	2,845	3,036	191
N. W. C. & E.	2,288	2,486	198
South Lowery	3,149	3,530	381

Asbestos Exports Drop Behind Those of Last Year

From Our Own Correspondent

MONTREAL.—Operations of Asbestos Corporation are likely reflected in the drop in exports of asbestos in March as compared with the same month last year. Exports totalled 8,821 tons valued at $594,694 as compared with 12,300 tons valued at $864,780 in March, 1929. There was, however, an improvement in the figures compared with February which amounted to 7,120 tons valued at $457,152.

Exports of asbestos sand and waste in March of this year showed a gain amounting to 13,003 tons against 12,694 tons in 1929 and 9,228 tons in February, 1930. Asbestos manufactures showed a marked improvement totalling $18,688, as compared with $4,473 in February, 1930, and $7,071 in March, 1929.

Earnings of Asbestos Corporation in 1929 amounted to $710,192 as compared with $812,947 in the previous year while net profits applicable to dividends was $18,333, as against $437,660. This item in 1928, however, included $187,500 which was received in payment for the sale of Etchimin Power Stock.

Asbestos Corporation's affairs have undergone a drastic reorganization during the past twelve months.

Laura Secord Sales Much Higher in April

Laura Secord Candy Shops sales in April totalled $220,217, compared with $154,364 a year ago, an increase of 20 per cent. There was no Easter in April a year ago.

Sales for the seven months of the fiscal year total $1,349,415, compared with $1,374,469 for the corresponding period of the previous year. This is a decrease of 1.75 per cent, a reflection of somewhat slow business in most lines.

TO OFFER UTILITY ISSUE

Financing will be offered shortly by McLeod, Young, Weir & Co. of a public utility company which has been organiezd to take over the light and power plant formerly operated by the city of Moose Jaw, Sask. The financing will be in the form of a first mortgage sinking fund bond issue. It is understood that the company, in conjunction with the city, is attempting to secure the location in Moose Jaw of a large industry.

MILK RIVER OILS PREPARES TO DRILL IN HIGHWOOD AREA

Hope for Shallow Drilling to Possible Large Pool—Other Started

CALGARY.—Milk River Oils will soon add a well to those already drilling in the Highwood area.

The company has recently added to its holdings 320 acres in this vicinity and has located the drilling site on the north half of section 24, township 17, range 5, west of the fifth meridian. The cellar has been dug, derrick erected and camp built. F. L. Major, fiscal agent and director of the company, stated to The Financial Post that drilling would be commenced as soon as road conditions would permit the hauling of the boiler, engine and other equipment to the well site.

Drilling is expected to be fairly shallow in the Highwood field, since the various strata encountered in drilling are considerably higher from a stratigraphical standpoint. The surface formation is the fossil bed of the Lower Bentons, which is not encountered in Turner Valley until a depth of usually 1,500 feet or more is reached. This would indicate that production should be encountered at shallower depths than in Turner Valley, and geologists claim that the production should be greater since the largest oil pools are generally found where the structure is highest, depending, of course, on the falling-away of the formation on all sides in order to form a "dome," which is a trap for the accumulation of oil.

Other wells are being drilled on the Highwood structure by Warner Oils, Hudson's Bay Oil & Gas Company and Western Alberta Oils, and Nordon is preparing to spud in.

Milk River Oils is still in the financing stage, and shares are being offered by F. L. Major, the company's fiscal agent, in Calgary. The company owns, in addition to its 320 acres in the Highwood area, 1,271 acres in the Milk River area.

Mount Company Seeks Voluntary Assignment

From Our Own Correspondent

MONTREAL.—Mount Company, Limited, has been suspended from trading on the Consolidated Mining and Oil Exchange of Montreal, Inc. The firm has filed a petition for voluntary assignment in the superior court.

The firm of Turcotte & Merrill has been appointed liquidators. It is understood that the liquidators will continue to conduct the firm's business, as an auditor's statement has indicated the solvency of the company.

Galer Rejoins Can. Studebaker

C. N. Galer, managing director of Studebaker, England, has returned to Studebaker Corp. of Canada to become its sales manager. Mr. Galer who is a native of Vancouver was with the Canadian firm as assistant sales manager before going to England in 1927.

Central Trust Grows

Central Trust Co. of Canada has bought property adjoining its headquarters at Moncton in order to enlarge its premises.

PETROL OIL AND GAS LEASES AREA TO AJAX

Will Start Drilling on Six Nations Reserve Early in May

Petrol Oil and Gas Co. has subleased 7,000 acres of its holdings of 43,696 acres in the Six Nations Indian Reserve field, near Brantford, Ont., to Ajax Oil & Gas Co. on a royalty basis. Contract calls for Ajax to drill a minimum of 10 wells on this lease within the next year and it is reported that Ajax is taking immediate steps and has already set its first location.

Petrol Oil and Gas operates both in the Brantford area and in the Dover field in Kent County, Ont. Wells in the Dover field are reported to be producing gas and oil in a satisfactory manner and, following a cleaning, No. 1 well in this field is producing more than at any time during the past year.

Operations in the Six Nations Indian Reserve field were concluded last year with 18 wells in operation, of which all but one were reported to be commercial. Resumption of operations this year has been delayed by spring freshets but drilling rigs are now being moved to new locations and actual drilling on two wells will be started early this month.

Capitol's Oil Well Drilled 3,381 Feet

From Our Own Correspondent

CALGARY.—Good progress has recently been reported by Capitol Oil & Natural Gas Company, at both wells.

The company's No. 1A well, in the Milk River field, is drilling at a depth of 3,381 feet, and should not be far from production, since drilling is fairly shallow in this region.

The No. 2 well, in the Red Coulee field, spudded in just recently, is reported drilling at 320 feet.

The company's No. 1 well, which was spudded in in the Milk River area, was abandoned at a depth of 600 feet, on account of losing some of the drilling tools in the hole. It was considered cheaper to drill a new hole, since the expense of fishing for the lost tools might easily be considerably greater than the amount of money spent on drilling the 600 feet.

The company is capitalized at 250,000,000 shares each of a par value of one cent. Of these, 141,496,300 have been issued, 125,000,000 of which were given in exchange for the company's property and also 50,000 shares of Rainier Oils Limited.

Four Mercury Wells Now Being Drilled

Four wells of Mercury Oils Limited are now well down according to reports.

Mercury No. 1 is waiting for a rotary rig at 4,575 feet. No. 2 is standing cemented in the lime at 5,111 feet and an automatic oil rotary is being rigged to take it down. No. 3 is approximately 60 feet in the lime and drilling. No. 5 is drilling at about 2,665 feet.

It is understood that the company will bring these wells in before starting others.

Twin City Would Stop Runs to Save Money

Minneapolis Street Railway Co., subsidiary of Twin City Rapid Transit, proposes to abandon several short-run non-paying lines and to institute one-man cars on a number of cross-town runs. This proposal has been placed before the street-railway committee of the Minneapolis city council.

The purpose of these economies is to offset the drop of $200,000 in gross

A. P. CON'S NO. 2 PRODUCTION TEST SHOWS 240 BBLS.

Well Not to Be Drilled Further, Directors Decide

From Our Own Correspondent

CALGARY.—Results at Alberta Pacific Consolidated Oils No. 2 well, the company's first producer, which blew in two weeks ago, have proved to be very satisfactory, the well having made 240 barrels per day on a recent production test. Steady production, however, will not be taken for a few days yet, as the well is being allowed to blow itself free of limestone fragments.

At first it was thought that the well would be drilled deeper to penetrate more of the producing horizon, but on account of the satisfactory results of the production test, the directors have decided to take production from the well as it stands.

No Royalties to Pay

It is a favorable feature about the well that no royalties are paid on production from the property on which the well has been drilled. The production from this well should sell for somewhere around $3.40 per barrel, which would bring the company, on the basis of 240 barrels per day, an additional revenue of over $800 per day in addition to its already substantial revenue of approximately $700 per day on securities owned.

Another substantial addition to the company's revenue will be the royalty interest of 10 per cent in Calmont No. 2 well, which, although the production test at the time of writing was not complete, is said to be to all appearances the biggest producer yet encountered in Turner Valley.

These additions to the company's revenue place it in an even stronger position than formerly, assuring it of ample finances to carry out its extensive drilling programme on new fields.

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Frost Woven Lawn Fence is moderately priced. Unaffected by weather, strong and permanent—it is an ideal combination of beauty and utility, and an enduring asset to every home.
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Walter S. Newton Leslie Cooney
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Public Utilities and Grocery Chain Stores
Progressive grocery chains have many things in common with the public utility.
They deal in essentials of daily life; sell on a cash basis; have no bad debts to write off; are not seriously affected by periods of depression and derive their earnings from thousands of customers.
As yet only 15 or 20 per cent of the groceries in Canada are sold through chain stores. There is a wealthy market here ready to be developed . . . a growing market in our fast-expanding Canadian cities.
Thrift Stores Limited has enjoyed steady and remarkable expansion since 1925. The company has a still more promising future ahead. Its management is sound and progressive. It is conservatively financed. Being still in the development stage its securities offer unusual possibilities for appreciation for those who invest now.
We strongly recommend the convertible preferred and common stocks of this company as safe investments with unusual possibilities for profit. Full particulars on request.
HODGSON BROS. & DUNTON
LIMITED
INVESTMENT BANKERS
240 St. James St. Plateau
MONTREAL 7211

New Issue
$614,970
City of Regina, Sask.
5% BONDS
Principal and half-yearly interest payable in gold coin of lawful money of Canada at the holder's option at Montreal, Toronto, Winnipeg and Regina. Denominations $1,000 and $500. Registerable as to principal only. Sinking fund provisions sufficient to retire the entire issue by maturity.
Subject to legal opinion of Messrs. Long and Daly, Toronto
$100,000, Due Feb. 1, 1945, Price 98.96 and accrued interest, yielding 5.10%
245,800, Due Apr. 1, 1945, Price 98.96 and accrued interest, yielding 5.10%
117,800, Due Feb. 1, 1950, Price 99.38 and accrued interest, yielding 5.05%
33,000, Due Feb. 1, 1960, Price 99.75 and accrued interest, yielding 5.02%
119,170, Due Apr. 1, 1960, Price 99.75 and accrued interest, yielding 5.02%
Regina is the capital of the Province of Saskatchewan and the oldest and largest city in that Province. The population has shown a steady increase from approximately 34,000 in 1921 to 60,000 at the present time.
The City is in an exceptionally strong financial position. The total debenture debt amounts to $231 per capita and, after deducting sinking funds, public utilities and owners' share of local improvement debenture debt, net funded debt amounts to only $71 per capita. Sinking Funds show a surplus of $267,593.06 above legal requirements. The City's public utilities are well managed and in 1929 showed a surplus after all charges of $279,476.43.
We offer these bonds when, as and if issued and accepted by us.
Gairdner & Company, Limited
320 BAY STREET, TORONTO 2
C. H. Burgess & Co. Limited
255 BAY STREET, TORONTO 2
The information contained herein has been obtained from sources which we believe to be reliable but is not guaranteed.

Canadian Celanese Limited

ANNUAL REPORT

For the Year Ended December 31st, 1929

Directors

BRIG.-GEN. SIR WILLIAM ALEXANDER,
K.B.E., C.B., C.M.G., D.S.O., M.P.

C. L. AUGER	LEE CADIEN
W. McC. CAMERON	CAMILLE DREYFUS
HENRI DREYFUS	A. SCHWARTZ
P. A. THOMSON	G. H. WHIGHAM

Finance and Executive Committee

P. A. THOMSON	CAMILLE DREYFUS
G. H. WHIGHAM	W. McC. CAMERON

Officers

G. H. WHIGHAM, Chairman of Board of Directors
CAMILLE DREYFUS, President
W. McC. CAMERON, Vice-President
LEE CADIEN, Secretary and Treasurer

Directors' Report

To the Shareholders:

We beg to hand you herewith the Balance Sheet showing the financial position of the Company as at December 31st, 1929, and the Profit and Loss Account for the Fiscal Year ended at the same date together with the statement of the Company's Auditors, Messrs. P. S. Ross and Sons.

The net profit for the year was $527,519.56 against $180,409.05 for the previous year and after making provision for depreciation, income tax, etc., $365,317.07 was carried to earned surplus account making the total credit to that account $877,436.19.

Inventories were increased by $241,932.13, in most part due to increased work-in-process and stocks on account of increased sales.

The sales in dollars were three times the total sales in 1928 with the profit as shown in spite of reductions in prices during the year under review.

The position of your Company is financially very strong and in view of the steady rapid progress made in marketing your goods as evidenced by the relatively rapid increase of your sales, your Directors view the future of the Company with satisfaction.

We desire to take this opportunity of extending the thanks of the Company to its employees and agents for their loyal and unceasing help to further the interests of your Company.

For the Board of Directors,
CAMILLE DREYFUS,
President.

February 24th, 1930.

Balance Sheet as at 31st December, 1929

ASSETS

FIXED		
Real Estate, Plant, Organization and Development Expenses, Patents, etc.		$ 7,483,859.95
CURRENT		
Cash on hand and in Banks	$ 440,173.43	
Bonds and Stocks at Cost	2,113,733.41	
Accounts Receivable and Accrued Interest	271,979.78	
Inventories of Raw Materials, Supplies, Work-in-Process and Finished Goods	1,104,974.41	
		3,930,861.03
DEFERRED AND PREPAID CHARGES		
Unexpired Insurance, Taxes, etc.		33,650.58
		$11,448,371.56

LIABILITIES

CAPITAL STOCK—		
Authorized		
150,000 Shares 7% Cumulative Participating Preferred.		
300,000 Shares Common without Nominal or Par Value.		
Issued		
90,000 Shares 7% Cumulative Participating Preferred	$9,000,000.00	
250,409 Shares Common without Nominal or Par Value	981,545.00	
		$ 9,981,545.00
(Dividends on Preferred Shares cumulative from April, 1926)		
Reserve for Depreciation		116,253.38
CURRENT		
Accounts Payable and Accrued Liabilities		133,606.67
SURPLUS		
Paid in	339,530.32	
Earned Surplus As Per Statement Attached	877,436.19	
		1,216,966.51
		$11,448,371.56

Approved on behalf of the Board:

(Signed) W. McC. CAMERON
P. A. THOMSON *Directors.*

Examined and Certified Correct in accordance with our attached certificate.

P. S. ROSS & SONS,
Chartered Accountants.

Montreal, February 24th, 1930.

PROFIT AND LOSS AND SURPLUS ACCOUNT
For the Year Ended December 31, 1929

Net Profit from Operations	$527,519.56
DEDUCT	
Income Tax, Depreciation, Inventory Adjustment and Other Deductions	162,202.49
Net Income	$365,317.07
ADD	
Balance at Credit, Profit and Loss and Deferred Credits Account December 31, 1928	512,119.12
Earned Surplus per Balance Sheet	$877,436.19

AUDITORS' REPORT

To the Shareholders,
Canadian Celanese Limited,
Montreal.

Gentlemen:

We have examined the books of account and financial records of Canadian Celanese Limited for the year ended December 31, 1929, and have obtained all the information and explanations we have required.

Reserve for depreciation of fixed assets has been set up during the year in the amount shown on the attached Balance Sheet.

We certify that the attached Balance Sheet as at December 31, 1929, and relative Profit and Loss and Surplus Account are in accord with the books of account, and, in our opinion, present a true and correct statement of the financial position of the Company as at December 31, 1929, and the results from operations for the year ended that date.

Respectfully submitted,

P. S. ROSS & SONS,
Chartered Accountants.

Montreal, Que., February 24th, 1930.

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Listed Bond Quotations

Week Ending May 5

Montreal	Int. Rate	Due	Yield	Latest Ask	High	Low	Range, 1930 High	Low
Abitibi, 1st Mtge.	5	1953	6.01	...	...	...	88½	83
Asbestos	5	1942	4.45	105	...	...	105	...
Asbestos, 1st mtge.	6	1941	11.75	90	...	...	81	65
Do., gen. mtge.	6	1956	...	40	40	38	41	38
Calgary Power	5	1940	...	†103	...	...	*97	94
Can. Cons. Rub.	6	1946	5.75	104	...	...	102⅜	102⅛
Can. Cottons	5	1940	...	...	...	...	*98	94
Can. Forgings	6	1942	...	...	...	...	...	...
Can. Locomotive	6	1951	...	98	...	...	x100½	97
Can. Pr. (Laur. ser.)	5½	1958	8.14	69¾	71	70	75½	67½
Do., (Way. ser.)	5½	1958	8.14	70	71	69	74½	67½
Can. S.S. deb.	5	1943	5.30	...	...	...	98¼	...
Cedar Rapids	5	1953	5.00	†100⅛	...	...	100⅛	99⅜
Dom. Canners	6	1940	...	†102½	...	...	*104	...
Dom. Coal	5	1940	5.49	†96½	...	...	96¼	95⅞
McNish	6	1948	...	3.45	3.45	...	3.55	3.25
Mex. Elec.	5	1942	...	...	...	...	x74	...
Mex. L. & P.	5	1940	...	...	...	...	x75¾	71½
Mont. L. H. & P.	4½	1932	5.30	†98¾	...	...	98⅝	...
Mont. Tr. 1st mtge.	5	1941	5.18	99½	98½	...	100	96
Mont. Tr. "A"	5	1955	5.40	95½	95½	93½	96½	91
Mont. Tr. G.&R. 'B'	5	1955	5.36	95½	95½	94½	96	91½
Do., "C"	4½	1955	5.40	88	87¾	...	89	85¼
Do., "D"	5	1955	5.25	96½	...	...	96½	...
N. S. Steel	5	1959	7.51	...	...	...	70½	69¾
Ogilvie Flour "A"	6	1932	6.00	†96¾	100	...	100	100
Do., "B"	6	1932	6.00	†96¾	...	...	101	100
Do., "C"	6	1932	6.00	†96¾	100	...	100	...
Ont. Steel	6	1943	...	†105	...	...	x106	104
Porto R. Rly.	5	1936	...	†84	...	...	82	82
Steel of Can.	6	1940	5.34	108¼	105	...	108	105
Wabasso	6	1947	...	97½	...	...	x101	...
Wayagamack	6	1951	6.27	†96¾	...	...	98	95
West. K. Power	6	1940	...	†105	...	...	x106	104¾
Wpg. Elec.	5	1935	...	†97	...	...	x94⅝	93
Toronto								
Canada Bread	6	1941	5.51	†104	...	...	103⅛	...
Can. Canners	6	1950	...	...	...	...	x102¼	100
Dom. Canners	6	1940	...	...	...	...	...	...
Porto R. Rly.	5	1936	...	...	...	...	...	...
Postal Tel.	5	1953	...	...	...	...	95	88¾
Steel of Can.	6	1940	...	†94½	...	...	x93	...

† Latest bid.
x Quotations for 1929. None recorded in 1930 to date.

Dominion Govt. Bonds (Montreal).

	Int. Rate	Due	Yield	Latest Ask	High	Low	Range, 1930 High	Low
War Loan	5	1931	4.80	100.35	100.00	99.70	100.40	99.70
Do.	5	1937	4.78	102.65	102.55	102.25	102.50	100.90
Victory Loan	5½	1933	4.80	102.70	102.45	102.15	102.75	101.35
Do.	5½	1934	4.99	102.00	102.10	101.95	102.10	101.05
Do.	5½	1937	4.56	106.25	106.10	105.60	106.20	103.90
Do., refund	4½	1940	4.86	97.60	97.10	97.00	97.60	95.10
Do., refund	5	1943	4.80	102.00	101.95	101.30	102.50	100.35
Do., refund	4½	1944	4.80	97.50	97.10	.....	97.20	95.30
Do., refund	4½	1946	4.81	97.70	97.70	97.00	97.70	96.10
Do., renewal	5½	1932	5.00	101.35	101.00	100.70	101.45	100.70

Dividends Declared

	Annual Rate	Div. Declared	Date	Record
Canada Iron, c.	...	3%	May 10	Apr. 30
Do., pref.	...	6%	May 10	Apr. 30
Can. Gen. Invest.	..	$1	Aug. 1	July 15
Penmans, com.	$4	$1	May 15	May 5
Union Natural Gas	..	35+5c	June 10	Apr. 15
Pressed Metals	$1	25c	July 1	June 15
Can. Pr. & Paper Inv. pfd.	5%	1¼%	May 15	Apr. 19
Foundation Co., com.	$1	25c	May 15	Apr. 30
Foreign Power Secs., pfd.	6%	1½%	May 15	Apr. 30
Brazilian, com.	$2	50c	June 2	Apr. 30
London Can. Invest. pfd.	6%	1¼%	June 2	May 15
Southern Can. Power, c.	$1	25c	May 15	Apr. 30
Dominion Bridge	$3.60	90c	May 15	Apr. 30
Bank of Toronto	12+1	3%	June 2	May 15
Can. Converters	7%	1¾%	May 15	Apr. 30
Bank of Commerce	12+1	3%	June 2	Apr. 30
Royal Bank	12+2	3%	June 2	Apr. 30
McIntyre Mines	20%	5%	June 2	May 1
Bank of Montreal	12+2%	3%	June 2	Apr. 30
Cons. Sand & Gravel, pfd.	$7	$1.75	May 15	Apr. 30
Howard Smith, pref.	6%	1½%	June 2	May 21
Standard Pav. & Mat., com.	$2	50c	May 15	Apr. 30
Do., pref.	$7	$1.75	May 15	Apr. 30
Rolland Paper, pref.	6%	1½%	June 1	May 15
East Koot. Pr., pref.	7%	1¾%	June 16	May 31
Dominion Stores	$1.20+30c+2%*		June 30	June 17
Langley Co., pref.	7%	1¾%	May 15	May 1
Ontario Steel, com.	$1.60	40c	May 15	Apr. 30
Do., pref.	7%	1¾%	May 15	Apr. 30
Union Nat. Gas.	...	35+5c.	June 10	Apr. 15
Hayes Wheels, com.	...	50c	July 1	June 20
Can. W. & Cable "A"	$4	$1	June 15	May 31
Lake of Woods, com.	$3.20	80c	June 2	May 17
Do., pref.	7%	1¾%	June 2	May 17
Cosmos, pref.	7%	1¾%	May 15	Apr. 30
Canadian Car, cum.	...	44c	May 30	May 15
Hollinger Mines	65c	1%	May 20	May 6
Canadian Oil, pfd.	8%	2%	July 1	June 20
Loblaw Groc. "A"	80c	20c	June 2	May 12
Do., "B"	80c	20c	June 2	May 12
Canadian Oil, com.	$1	25c	May 15	May 1
Distillers-Seagram	$1	25c	May 15	Apr. 30
N. S. Light & Pr., pfd.	6%	1½%	June 2	May 17
Can. Hyd.-Elec., pfd.	6%	1½%	June 1	May 1
H. Simon & Sons, com.	$2.50	62½c	June 1	May 20
Do., pref.	$7	$1.75	June 1	May 20
Chase, A. W., pfd.	8%	2%	May 10	Apr. 30
Belding Cort., pfd.	7%	1¾%	June 14	May 31
Lindsay, C. L. com.	$1	25c	June 1	May 15
Do., pref.	6½%	1⅝%	June 1	May 15

Winnipeg Grain Prices

Week to May 6

Crop Year High	Low		Open April 30	High for week	Low for week	Close May 6
		Wheat				
1.71⅝	1.01¼	May	1.04½	1.06⅝	1.04½	1.06¼
1.55	1.03	July	1.08	1.09⅝	1.06⅝	1.08⅝
1.44¼	1.04⅝	October	1.11½	1.13	1.09	1.11
		Oats				
.73⅛	.44¼	May	.48½	.50½	.47	.48⅛
.71⅜	.44¼	July	.50	.50⅜	.48	.48¾
.60½	.44¼	October	.49	.50¼	.46⅝	.47⅛
		Barley				
.89⅛	.42⅝	May	.45	.46	.43	.45
.76	.45	July	.47½	.48¾	.45⅝	.47⅜
.60	.48⅞	October	.51¾	.52½	.49¼	.51
		Flax				
3.15	2.16¾	May	2.33	2.35	2.16¾	2.18¼
2.91	2.16½	July	2.35	2.36	2.16½	2.18¾
2.35	1.87	October	2.04	2.05	1.87	1.88
		Rye				
1.26½	.53	May	.62¼	.63⅞	.59⅞	.61¼
1.04⅝	.56½	July	.65½	.66¾	.62¼	.63⅞
.84	.60⅞	October	.69¼	.70⅝	.66¼	.67¾

Foreign Exchange

NEW YORK FUNDS

	High (Premium)	Low	Last Year High (Premium)	Low
April 30	5-32	1-8	53-64	49-64
May 1	9-64	1-8	13-16	49-64
May 2	3-16	9-64	25-32	25-32
May 3	13-32	3-16	49-64	47-64
May 5	3-8	5-16	47-64	47-64
May 6	11-32	9-32	3-4	47-64

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
April 30	4.86 1-8	3.92 1-4	5.23 7-8
May 1	4.86	3.92 5-16	5.23 13-16
May 2	4.85 7-8	3.92 1-2	5.23 15-16
May 3	4.85 7-8	3.92 1-2	5.24 1-16
May 5	4.85 15-16	3.92 1-2	5.24 1-4
May 6	4.85 13-16	3.92 5-16	5.24 1-4

FOREIGN EXCHANGE

Par		Apr. 22	Apr. 29	May 6
5.263	Italian	5.23¾	5.23¾	5.25¾
23.80	German	23.85	23.89½	23.93
13.90	Belgian	13.94½	13.96½	13.97½
19.80	Japanese	49.40	49.45	49.60

Winnipeg Stock Exchange

(Transactions for week to May 2 in stock not traded in elsewhere)

Div. Rate in $	Yield May 2		Close Apr. 24 (or last)	High for wk.	Low for wk.	Close May 2
....	....	Crescent Creamery	96	96	95	95
5.00	7.14	Home Investment	70	70	70	70
2.00	11.26	United Grain Growers	17¼	18	17½	17¾
.80	10.00	Western Breweries	8⅝	8½	8	8

WINNIPEG STOCK EXCHANGE
May 2
Inactive Stocks

	Bid	Ask		Bid	Ask
Beaver Fire	..	120	Can. Fire Ins.	90	95
Beaver Lumber com.	19	20	Monarch Life	42	50
Can. Indemnity	120	..	Traders Bldg.	100	105
Can. Nat. Fire	..	35			

MONTREAL AND TORONTO CURB STOCKS

x30	30	.	...	Woods Mfg.	30	..	..	..
74	74	7	9.45	Do. pref.	74	..	..	..
85	81	7	8.64	Wood, A&J, 1pf	81	..	..	..
2½	1½	.	...	Zimmerknit	1¾	..	..	..
25	15⅛	.	...	Do. pref.	15⅛	..	..	..

x Quotation for 1929. No sales recorded in 1930 to date.
† $1 each for 1928 and 1929. a. Stock dividend.

Unlisted Canadian Securities

(Furnished by A. J. Pattison, Jr. & Co. Ltd.)
May 6th, 1930

Industrial Stocks—	Bid	Ask
Allens Beach pfd.	47.75	....
Allens Kingston pf.	54.75	....
Allens London pfd.	53.50	....
Border Cit. Htl. pfd.	....	19.00
Brand.-Hend. com.	33.00	....
Do., pfd.	90.00	95.00
B.C. Packers, pfd.	44.00	51.00
B.C. P. & P. c.	6.00	10.90
Do., pfd.	68.00	73.00
Burns pfd. bonus 25% com.	....	85.00
Canada Biscuit pfd.	....	33.00
Can. Cr. Stone pfd.	66.00	....
Can. Machinery c.	7.00	....
Do., pfd.	30.00	....
Can. Packers c.	30.00	35.00
Do., pfd.	99.50	101.00
Can. Wire & C. pf.	101.00	105.00
Can. Indust. Com. "A"	175.00	200.00
Do., "B"	175.00	200.00
Can. Indust. pfd.	117.00	....
Can. Invest. c.	16.00	20.00
Can. West. Nat. L. H. & P. pfd.	92.75	95.00
Can. Westinghouse	89.00	94.00
Chase, A. W., pfd.	52.50	....
Do., com.	.25	.50
Clifton Co. Ltd.	125.00	145.00
Copeland Flour pfd.	15.00	20.00
Dom. Alloy pfd.	1.00	2.00
Do., com.	....	.50
Dom. Mfg. pfd.	[illegible]	....
Do., com.	7.00	....
Dom. Sug. com.	23.00	27.00
Dom. Woollens c.	....	8.00
Dunlop Tire 7% pf.	100.00	....
Durant Accept.	12.00	15.00
Eastern Car pfd.	70.00	....
Gen. Stl. W. 7% pf.	....	85.00
Goderich Elev.	16.25	19.75
Green. Wire 7% pf.	96.00	101.00
Guard. Realty pfd.	55.00	65.00
Harding Cpt. c.	....	6.50
Do, pfd.	....	68.00
Inter-City Bak. c.	68.00	....
Internat. Prop. "A"	32.00	34.00
King Edw. Htl. "A" 8%	53.00	57.00
Do., 8% "B"	45.00	50.00
Kings. Ship Bldg. pfd.	15.00	....
Do., com.	6.00	....
Lake St. John, c.	....	12.00
Loew's Lond. c.	2.00	3.00
Do., pfd.	4.75	7.00
Mansfield, c.	50.00	60.00
Do., pfd.	64.00	....
Milton Brick pfd.	20.25	27.25
Nat. Groc. 2nd pfd.	28.00	32.00
N.B. Power 1st pfd.	56.00	....
N. Can. Power pf.	84.00	95.00
N.S. Power, pfd.	90.00	96.75
Para. Kitchen. pfd.	46.00	....
Para. Oshawa, pfd.	55.00	....
Port Hope San.	35.00	45.00
Provincial Paper	95.00	99.00
Rogers Majestic	20.00	24.00
Stand. Clay Pro. c.	30.00	....
Supertest B pref.	13.00	16.50
Stand. Fuel pref. bonus	....	88.00
Tor. Ball Club	....	75.00
Tor. Brick pfd.	69.25	....
Tor. Carpet c.	126.00	....
Do., pfd.	98.00	....
Willards Choc. pfd.	70.00	....
Do., com.	7.50	....

Trust & Loan Stocks:	Bid	Ask
Br. Mtge. & Tr.	220.00	250.0
Capital Trust	70.00	....
Can. Gen. Invest. Trust 1st	74.00	....
Do., 2nd	58.00	....
Chart. Tr. & Ex.	104.00	112.0
Comm. Fin. c.	11.00	....
Do., pfd.	65.00	....
Deb. & Sec. pfd.	65.00	71.00
Do., com.	95.00	....
Guelph Inv. %	116.00	128.00
Lambton L. & S.	75.00	....
London & West. Tr.	176.00	....
Midland L. & S.	14.00	....
Mort. Disc. pfd.	4.75	5.25
Do., com.	.40	.60
Mutual Finance c.	6.50	7.50
Do. pfd.	6.50	7.50
Peoples L. & S.	85.00	....
Premier Trust	85.00	....
Security L. & S.	115.00	....
Sherbrooke Trust	115.00	....
Sterling Trust	95.00	....
Traders Fin. "A" pfd.	85.00	95.00
Do., "B" pfd.	85.00	95.00
Do., com.	19.00	....
Tr. & Guar.	95.00	90.00
Waterloo T. & S.	125.00	....

Insurance Stocks:	Bid	Ask
Br. Am. Assoc.	63.00	....
Can. Fire Ins.	90.00	100.00
Can. Nat. Fire	26.00	34.00
Canada Life	800.00	840.00
Capital Life	20.00	28.50
Confed. Life, 20% pd.	300.00	....
Cont. Life, 20% pd.	75.00	85.00
Crown Life %	385.00	450.00
Dom. Fire	115.00	135.00
Dom. Canada Gen. Ins.	255.00	300.00
Dom. Life 50% pd.	400.00	470.00
Excel. Life 30% pd.	115.00	130.00
Fed. Fire 25% pd.	40.00	44.00
Fid. Ins. of Can.	137.00	155.00
Great West Life	690.00	790.00
Guar. Co. of N.A.	275.00	....
Halifax Fire	32.00	36.00
Imperial Life	440.00	460.00
Merchants Cas.	....	25.00
Mfg. Life	395.00	430.00
Mon. Life 10% pd.	41.00	45.00
Nat. Life 25% pd.	105.00	115.00
Nor. Am. Life	90.00	100.00
Pilot A. & Acc. Ins.	21.00	26.00
Sask. Life	21.00	....
Sovereign Life	48.00	53.00
Sun Life	....	3.150.00
Toronto Casualty	....	17.50
Western Assurance	56.00	62.00
Western Life	15.00	18.50

Recent London Quotations

Brewers & Distillers	5s. 6d.
Brit. Can. & Gen. Inv.	20
Br. Contr. Oilfields	4s. 0¾d.
Can. & For. Sec.	12s.
Can. West Lumber	5s. 7½d.
Hudson's Bay	85s. 7½d.
Do., 5% pfd.	101s. 3d.
International Holdings	7 13/16
Wall Paper Mfg.	30s. 6d.
Pref. 5%	18s. 1½d.

Flood, Barnes Active Bond Prices

May 6, 1930

	Price	Next Interest Date	Yield
Abitibi Power & Paper 5/53	88	June 1	6.00
Alberta Pacific Grain 6% 1946	99	June 1	6.00
Algoma Steel Corpn. 5/62	75	Oct. 1	6.80
Argentine Govt. 6/58 Series B	99½	June 1	6.05
Bell Tel. of Canada 1st 5/57	103	June 1	4.78
British American Oil 6% 1945	102½	Sept. 1	4.82
Brazil, U.S. Ext. S.F. 6½/57	85	Oct. 1	7.62
Calgary Power Co. 5% 1960	94	Oct. 1	5.40
Can. Biscuit Co. Ltd. 6½/46	86	Nov. 1	8.00
Can. Cement Co. 1st Mtge. S.F. 5½/47	101	Nov. 1	5.45
Can. North. Power 5% 1953	94	Nov. 1	5.45
Canada Power & P. 5½/58	72	July 1	8.06
Can. Light & Power 1st S.F. 5/49	92	July 1	5.70
Can. S.S. Lines 6/41 1st & Gen.	98	Aug. 15	6.25
C.P. Ry. Coll. Trust 5/34	103	Oct. 15	4.75
C.P. Rly. Secured 4½/44 Notes	96½	Oct. 15	4.83
Can. Goodrich Income 7/43	60	......	...
Chile Republic Ext. S.F. 6/60	93	Oct. 1	6.53
Colombia Repub. Ext. S.F. 6/61	81	Oct. 1	7.55
Dom. Iron & Steel Consol. S.F. 5/39	96	......	...
Dom. Square Corp. 6/48	98	Oct. 1	6.18
Dominion Tar & Chemical Debs. 6/49	102	July 2	5.84
Donnacona Paper Co. 1st S.F. 5½/48	91	Aug. 1	6.40
Donnacona Paper Co. Debs. 6/48	91	Aug. 1	6.90
Duke Price Power 1st 6/66	106	Nov. 1	5.65
Eastern Dairies Convertible 6/49	102	Nov. 1	5.83
Foreign Power Securities 6% 1949	102	June 1	5.85
Fraser Companies 1st 6/50	95	July 1	6.45
Fraser Companies Convertible Notes 6/32	89	July 1	10.00
Fraser Co's. 6½/42 Debs. Cum. Warrants	88	Oct. 1	7.80
French Line Ext. S.F. 6½/51	102	Aug. 15	6.25
French Nat. Mail Ex. S.F. 6/52	102	Nov. 1	5.83
General Steel Wares 1st S.F. 6/52	100	Nov. 1	6.00
Gatineau Power 1st S.F. 5/56	96	June 1	5.25
Gatineau Power S.F. Debs. 6/41	100	Oct. 1	6.09
Great Lakes Co. 6% 1950	85½	Sept. 1	7.43
Howard Smith P. M. 5½/53	92½	June 1	6.10
International Paper Co. 6%, 1955	92	Sept. 1	6.65
International Hydro-Electric 6/44	102	Oct. 1	5.78
Lake St. John Paper Co. 6½, 1947	99	Aug. 1	6.60
Manitoba Power 1s, S.F. 5½/51	100½	July 1	5.50
Massey-Harris Co. 1st Mtge. 5/47	95	Oct. 15	5.45
Montreal, City of 5/58	102½	Oct. 1	4.84
Montreal Coke 1st S.F. 5½/47	100	June 1	5.50
Montreal Island Power 5½/57	99	Nov. 1	5.57
Montreal Power 5/51	101½	Sept. 1	4.90
Montreal Tram. 1st Coll. Trust 5/41	100	July 1	5.00
Montreal Tram. Gen. Ref. 4½/55	90	Oct. 1	5.22
Montreal Tram. Gen. 5/55	96	Oct. 1	5.28
Nova Scotia Steel & Coal 1st 5/59	74	......	...
Nova Scotia Steel & Coal 6 deb.	44	......	...
Northwestern Power Co. 6%, 1960	101½	July 2	5.83
Northwestern Utilities 1st 7/38	105	June 1	6.40
Ontario, Province of, 5/59	102½	Nov. 1	4.87
Peru, Republic of, 6% 1960	79	June 1	7.81
Port Alfred P. & P. 1st 5½/57	88	Nov. 1	6.45
Price Bros. 1st S.F. Series A 6/43	104	Aug. 1	5.60
Quebec Power 1st Mtge. Coll. S.F. 5/68	101	June 1	4.93
Rio de Janeiro Trams. 5/35	96	July 1	5.80
Shawinigan W. & P. 4½/68	94½	June 1	4.85
Simpson's 6/49	101¾	July 2	5.85
Sov. Canada Power 1st 5/55	100	Oct. 1	5.00
United Grain Growers 1st Mtge. 5/48	90	July 5	6.00
United Securities Coll. Trust 5½/52	101	May 1	5.40
Wayagamac P. & P. 1st S.F. 6/51	98	July 1	6.15
Winnipeg Electric Ref. 6/54	102	Apr. 1	5.85

Active Provincial and Municipal Bonds

(Furnished by H. R. Bain & Co., Ltd.)
350 Bay Street, Toronto, Ont.

Provinces	Rate	Actual Mat.	Next Int. Date	Ask	Approx. Yield
Alberta	4½	1 Oct. 1958	1 Oct.	94.62	4.85
Alberta	5	1 Jul. 1943	1 July	100.48	4.95
Alberta	6	1 Apr. 1936	1 Oct.	104.60	5.10
British Col.	4½	1 Oct. 1953	1 Oct.	95.12	4.85
British Col.	5	15 Jan. 1948	15 July	101.18	4.90
British Col.	6	15 Aug. 1941	15 Aug.	107.75	5.10
Manitoba	4	1 Jul. 1947	1 July	90.05	4.85
Manitoba	5	2 Jun. 1959	2 June	101.55	4.90
Manitoba	5	15 Jun. 1943	15 June	100.98	4.90
N. B.	4½	1 Jun. 1948	1 June	95.75	4.85
N. B.	4¾	15 Jun. 1936	15 June	98.90	4.95
N. B.	6	1 Jan. 1936	1 Jan.	104.60	5.10
Nova Scotia	4½	15 Nov. 1948	15 May	95.75	4.85
Nova Scotia	5	1 May 1943	1 May	101.43	4.85
Nova Scotia	6	1 Nov. 1936	1 May	104.92	5.10
Ontario	4½	1 Sep. 1944	1 Sept.	96.90	4.80
Ontario	5	15 Oct. 1948	15 Oct.	101.82	4.85
Ontario	6	2 May 1936	2 May	105.21	5.05
P.E.I.	4	1 Apr. 1939	1 Oct.	93.51	4.90
P.E.I.	4½	1 Oct. 1944	1 Oct.	95.50	4.90
Quebec	4½	1 Jun. 1946	1 June	98.06	4.85
Quebec	5	1 Mar. 1964	1 Sept.	102.48	4.85
Quebec	6	1 Jun. 1930	1 June	100.50	5.50
Saskatchewan	4½	1 Oct. 1944	1 Oct.	95.38	4.95
Saskatchewan	5	1 Oct. 1950	1 Oct.	100.64	4.95
Saskatchewan	6	1 Feb. 1936	1 Aug.	104.26	5.10
Cities					
Montreal	5	1 Sep. 1963	1 Sept.	101.64	4.90
Toronto	4½	1 Sep. 1954	1 Sept.	94.33	4.90
Vancouver	4	1 Aug. 1946	1 Aug.	88.85	5.00
Winnipeg	5	1 Mar. 1944	1 Sept.	100.00	5.00
Windsor	5	1 Dec. 1937	1 June	103.70	5.15
Edmonton	5½	1 May 1945	1 May	103.17	5.20
Calgary	5	1 Jan. 1943	1 July	98.59	5.15
Halifax	5	1 Jul. 1951	1 July	100.00	5.00
St. John	5	15 Dec. 1950	1 June	98.08	5.10
Regina	4½	1 Jul. 1950	1 Jan.	91.83	5.15
Victoria	5	21 July 1945	21 July	98.41	5.15

A. J. Pattison, Jr. & Co. LIMITED
INVESTMENT BANKERS
Dealers in Unlisted Bonds and Shares
159 Bay Street, (First Floor) Toronto
Elgin: 5101 (TEN LINES)

Montreal, Toronto & Curb Stocks

WEEK ENDING MAY 5

Range 1930 High	Low	Divd. Rate in $	Yield in % May 1		Close May 3 (or last)	Week Ending May 5 High	Low	Close
42¼	22½	.	...	Abitibi, c.	34½	34½	30	31
110	103	7	6.79	Do. pref.	103	..	..	..
87	65	.	7.18	Do. pref.	83	83½	82½	82½
14	8¼	.	...	Agnew Surp., c.	10	..	..	..
95	94	7	7.44	Do. pref.	94	94	94	94
28	18	.	...	Alta. Pac. Gr.	19½	19½	18¼	18¼
91	86	7	8.04	Do. pref.	89	87	86	87
15	14	.	...	Amal. Elec.	14	15	15	15
39	36	3	8.33	Do. pref.	36	..	..	..
8¾	2⅛	.	...	Asbestos, c.	2½	2½	2½	2½
15	9	.	...	Do. pref.	12½	12½	12	12
48	38	.	...	Asch, c.	39	..	..	..
89	86½	7	7.95	Do. pref.	88	..	..	..
18	14½	2	11.76	Assoc. Brew.	17	17	16	16
95	89	7	7.82	Do. pref.	89½	..	..	..
18⅜	17	1.50	8.33	Assoc. Can.	18⅜	..	..	..
8½	6½	.	...	Atlan. Sugar	6¾	7½	6½	6½
45	40	.	...	Do. pref.	43	..	..	..
175	170¼	10	5.75	Can. Nat.	174¼	174¼	173¾	173¾
325	303	12+2	4.48	Bk. of Montreal	317	316	309	311½
355	310	16	4.94	Bk. of N. Scotia	325	326	323	324
262	245	12+1	5.09	Bk. of Toronto	252	255	255	255
x65	47½	50c	...	Barcelona Tr.	55	..	..	..
10½	10	.	...	Bathurst Pr.	10	10	10	10
4½	3¼	.	...	Do. (B)	4	4	4	4
26	26	50c	...	Bawlf Grain	26	..	..	..
83	79	6.50	8.22	Do. pref.	79	..	..	..
22½	15	1.60	9.41	Beath & Sons	17	..	..	..
33	28¾	2	6.95	Beatty Bros.	29	28¾	28¾	28¾
92	85	6	6.63	Do. pref.	91	90½	90	90
15½	10	.	...	Beauharnois	15	15¼	14	14
130	123	7	5.60	Belding Cort.	125	..	..	..
110	98½	7	6.36	Do. pref.	110	..	..	..
101	94¼	7	7.36	Belgo C. P. pf.	95	95	95	95
159½	148½	8	5.28	Bell Telephone	151½	152	150	150
10½	10½	.	...	Biltmore Hats	10½	..	..	..
85	85	7	8.25	Do. pref.	85	..	..	..
22	20	2	10.00	Bissell	20	..	..	..
97	88	7	7.95	Do. pref.	88	..	..	..
24	16	2	11.76	Blue Ribbon	18	18	17	18
39	35	3.25	8.55	Do. pref.	37	38	37	38
25	22	2	9.09	Brading Brew.	22	..	..	..
24	20	2	8.88	Brant. Cd., pf.	22½	22½	22½	22½
55¼	35½	2+1a	4.27	Brazilian	50½	52½	42	45¾
1¾	1¼	.	...	Brew. & Distil.	1¾	..	..	..
52¼	34¼	1.60	4.41	Brit. Amer. Oil	39¾	39½	39¼	35¼
23	17¼	80c	4.38	Do., new	19¾	20	17¼	17¾
13¼	5½	.	...	B. C. Packers	7½	7½	7	7
46	46	.	...	B.C. Fish, pfd.	..	..	..	..
45½	36½	2	4.90	B.C. Power	40½	42	40	40¼
25½	16	.	...	Do. (B)	21	21	18	18
3¾	1⅜	.	...	B. E. Steel	3	..	..	..
40⅛	26	.	...	Do. 1st pref.	35	36	34¾	34¾
8	4	.	...	Do. 2nd pref.	6	6	5¼	5¼
x20	20	25c	...	Brit. & For. Inv.	20	..	..	..
31½	23¾	2	8.00	Brompton	28	27	23¾	24¾
26¾	20	1	4.08	Bruck Silk Mills	25	25	24	24
29¾	25	2	7.54	Building Prod.	25¾	27	25	25½
56	48	3+50	7.14	Burt, F. N.	50⅛	50	48	48
198	157½	6	3.03	Calgary Pr.	195	..	..	..
20	20	.	...	Do. Rights	..	20	20	20
19½	15½	75c	4.68	Can. Bread	16	16¼	16	16
120	112	7	5.88	Do. pref. (A)	119	..	..	..
106	99⅞	7	6.66	Do. pref. (B)	105	..	..	..
12	8	1	8.69	Canada Bud	11¾	11¾	11	11
19¼	15¾	.	...	Can. Cement	18	18½	18	18
98	91¼	6.50	6.73	Do. pref.	98	98	96½	97
76	62	5	8.06	Canada Dry	64½	62	62	62
20	16	1.50	9.37	Can. Forg. (A)	16	16	16	16
16	8	.	...	Do. (B)	16	..	..	..
68	40	3	4.41	Canada Iron	60	68	68	68
90	85	6	7.05	Do. pref.	85	85	85	85
6	6	.	...	Can. Machinery	6	..	..	..
30	30	.	...	Do. pref.	30	..	..	..
19	15	1.50	8.21	Can. Malting	17	19	17	18½
20⅛	16	60c	3.07	Can. Nor. Pr.	19½	..	..	..
106	99	7	6.60	Do. pref.	105	106	105	105
20	11½	.	...	Can. Paving	12	11½	11½	11½
94	86½	7	8.04	Do. pref.	87	..	..	..
230	210	12	5.47	Can. Perman.	219	219	219	219
19½	10¼	.	...	Can. Pr. & Pap.	16	16⅛	14¼	14¼
20	20	.	...	Can. P. & P. In.	20	..	..	..
19	15	.	...	Can. Steam	18¾	18½	18	18½
73⅜	58½	6	8.33	Do. pref.	72	72	68	68
26¼	20½	1.60	7.03	Can. Vinegar	23	23	22	22
82	74½	4	5.00	Can. W., Cable.	80	80	80	80
41	25	.	...	Do. (B)	33	32¾	30½	32
39	26	.	...	Can. Bakeries	31	..	..	..
99	93¼	7	7.44	Do. pref.	98	96	93¼	93¼
275	[illegible]	12+1	5.09	Can. Bk. of Com.	259	258½	250	250
11¾	6¾	1	9.52	Can. Brewing	11	11	9	10¼
57	43½	2.50	5.10	Can. Bronze	50	49⅝	45	45
111	109½	7	6.36	Do. pref.	110	110	110	110
22¼	19	50c	2.32	Can. Canners	22¼	21½	20¾	20¾
93	86	6	6.45	Do. 1st pref.	92½	90	91⅞	93
22½	19¼	80c	3.72	Do. 2nd pref.	22	22	20¾	21½
32	22½	1.75	7.21	Can. Car & Fdy.	26	26	22½	23¼
33	26	1.75	6.25	Do. pref.	29	29	27	27
17	13	.	...	Can. Celanese	14	13	13	13
65	51	.	...	Do. pref.	61	65	63	64
76½	70	7	9.58	Can. Convert.	73	..	..	..
x110	108	.	...	Can. Cottons	108	..	..	..
83	75	6	8.00	Do. pref.	75	..	..	..
43	30	3	8.27	Can. Dredge	37¾	38	35	35
x260	162	7	4.32	Do. pref.	162	..	..	..
82	80	6	7.38	Can. Fairb., pf.	81¼	..	..	..
x48	40	.	...	Can. For. Inv.	40	..	..	..
90	90	8	8.88	Do. pref.	90	..	..	..
420	260	3	0.75	Can. Gen. Elec.	400	400	400	400
62½	58	3.50	5.64	Do. pref.	62	62½	61	61
80	75	3	4.00	Can. Gen. Inv.	75	..	..	..
92½	81	6	6.59	Can. Hyd. E. p.	92	92½	91	91
12¼	7	.	...	Can. Ind. Alc.	8½	8½	7	7¼
11¼	6¼	.	...	Do. (B)	7	6¼	6¼	6¼
8½	8½	.	...	Can. Int. I. Tr.	8½	..	..	..
40½	31	.	...	Can. Lt. & Pr.	33	31	31	31
25	25	.	...	Can. Locomo.	25	..	..	..
76	40	.	...	Do. pref.	40	..	..	..
9⅛	3	.	...	Can. Marconi	7¼	7⅞	5⅛	5¾
34	27	1	3.70	Can. Oil	30	27	27	27
123	120	8	6.50	Do. pref.	123	..	..	..
230	190	10	5.00	Can. Pacific	205	205	190	197
58	49	.	...	Do., new	52	51¾	49⅛	50
10	5	.	...	Can. Vickers	6	5½	5	5½
65	41½	.	...	Do. pref.	41½	..	..	..
6¾	4	50c	8.33	Can. Wineries	6	6	5¾	6
18	16½	1.50	8.82	Can. Wire Box	17	17	17	17
6⅜	3	.	...	Carling Brew.	3½	3½	3½	3½
27	22	2	7.69	Catelli Mac. A.	26	26	25½	26
10	9	.	...	Do. (B)	10	..	..	..
330	324	12+3	4.63	Cent. Can. Loan	325	324	324	324
9.00	4.30	.	...	Chem. Research	4.50	5.00	4.30	4.30
53½	46	2	4.00	City Dairy	49⅛	51½	48½	49
128	122	7	5.60	Do. pref.	125	..	..	..
25	17½	1.50	8.00	Cockshutt	19½	19½	17½	19
4	2	.	...	Comm. Alco.	2	..	..	..
18	15	1	6.66	Conduits	16	15	15	15
106	104	7	6.60	Do. pref.	106	..	..	..
26	20¾	2	9.09	Cons. Bakeries	22¾	23	21	21
4	1½	.	...	Cons. Food Prod.	3	3	3	3
10	10	.	...	Do. pref. (A)	10	..	..	..
33	26	2	6.25	Cons. Press	32	33	31	31
87	82	7	8.23	Cons. Sand, pf.	85	..	..	..
280	213	12.50	5.81	Cons. Smelters	220	220	213	215
1.80	.50	.	...	Do. Rights	1.45	1.30	.50	.75
183½	175	10	5.68	Consumers Gas	178	178	175	177
x45	20⅛	.	...	Cooksville Co.	40	..	..	..
85	85	4	4.70	Do. pref.	85	..	..	..
90	90	7	7.77	Corr. P. Box, p.	90	..	..	..
1⅞	1⅛	.	...	Cosgrave Br.	1½	..	..	..
21½	14	.	...	Cosmos	16	16	14	14
97½	94¾	7	7.21	Do. pref.	96	97	97	97
11	4¾	.	...	Crown Dom. Oil	10¼	10½	9	9
46	38	6	15.78	Crow's N. Coal.	46	40	38	38
1⅜	¾	.	...	Cuban Sugar	1	..	..	..
3½	2	.	...	Do. pref.	2	..	..	..
4	2	.	...	Curtiss-Reid	3	3	2½	2½
8	5	.	...	Do. pref.	7	..	..	..
11	5	.	...	David & Frere B	8	..	..	..
12½	8	80c	8.43	De Forest	10	9½	9	9½
16	12	25c	...	De Havilland	12	..	..	..
x90	87	7	7.77	Do. pref.	90	..	..	..
.50	.50	.	...	Detroit Rly.	.50	..	..	..
12½	8	1	8.51	Distill-Seagram	11¾	12½	11	11
243	225	12+1	5.60	Dominion Bank	231	235	232	233
83	59	3.60	5.53	Dom. Bridge	68	68¼	59	61
70	60	.	...	Dom. Coal	67½	60	60	60
82	61	4	6.15	Dom. Engineer.	67	65	61	61
14	10	1.50	...	Dom. Foundries	14	14	14	14
76	76	.	...	Do. pref.	76	..	..	..
141	122	7	5.46	Dom. Glass	129	128	125	125
122	115¼	7	5.83	Do. pref.	121	120	120	120
36	20	.	...	Dom. Iron, pref.	32½	32½	31	32
74	38	.	...	Dom. Power	70	69½	69	69
103	95	7	7.36	Do. pref.	95	..	..	..
x100	95	7	7.29	Dom. Rub., pf.	96	..	..	..
49	34	.	...	Dom. Steel, pf.	45	48	46	46
14	11½	.	...	Dom. St. & C. B	12	11½	11½	11½
30⅛	20	1.20+4a	..	Dom. Stores	26	25¾	22	22
23	19	.	...	Dom. Tar & Ch.	20	20	20	20
97	88¾	6.50	6.91	Do. pref.	94	97	93½	93½
80	62¾	5	7.24	Dom. Textile	69	71	68	68
118½	115	7	5.98	Do. pref.	118½	117	117	117
27⅛	21½	.	...	Donnacona	23	23	23	23
19	10	.	...	Dryden Paper	11	11	10⅛	10¼
25	15	.	...	Duff. Paving	20	..	..	..
99	88½	7	7.50	Do. pref.	94½	93½	93	93¼
4	1	.	...	Duluth Sup.	1	..	..	..
10	7	40c	5.71	Durant	7½	7½	7	7
28½	22	†2	...	East Dairies	26	23	22	22
35	30	.	...	East. Steel	32	32	32	32
100	97	7	7.14	Do. pref.	98	..	..	..
25	23	.	...	East. Koot.	23	23	23	23
92	86	7	7.60	Do. pref.	92	..	..	..
34	29	2	6.55	East Theatres	30½	..	..	..
85	80	7	8.23	Do. pref.	85	..	..	..
10	7	.	...	Easy Washer	7¼	..	..	..
55	49¾	2.50	4.80	Economic Inv.	52	52	52	52
19	17	1	5.88	Edmonton Dairy	17	17	17	17
90	88	6.50	7.38	Do. pref.	88	..	..	..
31	20½	2	9.52	Enamel & Heat.	21	21	20½	20½
43	37	3	7.50	Eng. Elec.	38	40	39	40
28	23	.	...	Do. (B)	23½	23½	23	23
63¾	39¼	2	3.75	Fam. Players	54	56¼	48	50
61¾	37	2	3.63	Do. Vot. Trust	55¼	56¼	48½	50
21½	15½	1	5.26	Fanny Farmer	19	19	19	19
32¼	32	2.40	7.50	Do. pref.	32¼	32½	32	32
x38	27	50c	...	Farmers Dairy	38	..	..	..
100	97	7	7.21	Do. pref.	98	97	97	97
.25	.10	.	...	Federal Distil.	.10	..	..	..
31½	31	.	...	Feldspar Glass	31½	..	..	..
83½	78	7	8.97	Firstbrook Box	78	..	..	..
38½	28	.	...	Ford Motors A.	35¾	36½	31¼	33
34	25	1	3.15	For. Pr. Secs.	32	32	30	30
16½	14¾	1	6.78	Foundation Co.	15½	14¾	14¾	14¾
17½	13⅞	.	...	Fraser Cos.	14½	17	14	14
15⅜	13	.	...	Frost Steel	14	..	..	..
97½	93¼	7	7.17	Do. pref.	97½	97½	97½	97½
21¼	10¼	.	...	Gen. St. Wares.	13	13	10¼	12
17	17	1.40	...	Goderich Elev.	17	..	..	..
180	150	5+5	6.66	Goodyear	158½	155	150	150
109	106	7	6.54	Do. pref.	107	107½	106½	107
5	1½	.	...	Gt. W. Saddlery	2	..	..	..
x100	40	.	...	Do. pref.	40	..	..	..
40	25½	2	5.47	Gurd, Chas.	38	40	34½	35
110	110	7	6.36	Do. pref.	110	..	..	..
26	22⅜	1.50	6.38	Gypsum, Lime	24	24	22½	22½
38¾	25	2	7.27	Ham. Bridge	30½	30	25	25
88	84	6.50	7.42	Do. pref.	87	87½	87½	87½
25	23½	2	8.51	Ham. Cot., pf.	24	23½	23½	23½
28	24	1	3.57	Ham. Dairies	28	..	..	..
100	96	7	7.00	Do. pref.	100	..	..	..
11	5	.	...	Ham. Un. Theat.	7	7	7	7
77	64	7	9.58	Do. pref.	73	..	..	..
31	24	1	...	Hayes Wheel	25	25	25	25
95	92	7	7.54	Do. pref.	92¾	..	..	..
x70	60	6	10.00	Hillcrest Coll.	60	..	..	..
91	91	7	7.69	Do. pref.	91	..	..	..
17	6	.	...	Hinde & Dauch.	9	9	8	8
120	120	3	2.50	Holt Renfrew	120	..	..	..
96¼	93	7	7.52	Do. pref.	93	..	..	..
13	7	.	...	Honey Dew	10	10	10	10
64	57	7	11.66	Do. pref.	61	60	60	60
x21	16⅞	.	...	Howe Lumber	19	..	..	..
25	20	2	9.75	Humberstone	22½	20½	20½	20½
28	20	1+50	5.35	Hunt (A)	28	..	..	..
30	20	1+50	5.55	Do. (B)	27	27	27	27
157	150	8	5.09	Huron & Erie M	150	157	157	157
55	38½	2	4.34	Hydro Electric	49	48¼	44½	44½
245	226	12+1	5.41	Imperial Bank	231	240¼	240	240¼
29¾	22¼	50c	1.92	Imperial Oil	27¼	27⅛	23¾	24½
10¾	9½	35+10	4.39	Imperial Tob.	10	10¼	10	10¼
53¾	42	.	...	Int. Hyd. E. A.	49	50¼	42	42
105	102	7	6.79	Inter. Mill., pf.	103½	103	103	103
44½	30	1	3.07	Inter. Nickel	35⅛	35⅝	30	32½
17½	12	1	8.33	Inter. Paints A.	12	..	..	..
31	27⅞	2.40	8.57	Int. Pap. & Pr.	29½	27⅞	27⅞	27⅞
20½	20½	.	...	Do. (B)	20½	..	..	..
16⅞	15½	.	...	Do. (C)	15½	..	..	..
83	82½	7	8.45	Do. pref.	82¾	..	..	..
24	18	1	4.59	Inter. Pete.	22½	23⅛	19¼	20
18	15	.	...	Inter. Power	18	16	15	15
91	79	7	7.95	Do. pref.	88	88⅛	88	88
51	34¾	3.50	7.77	Int. Util. (A)	49	51	43¼	44
19½	7	.	...	Do. (B)	18½	..	..	..
42½	33	.	...	Jam. Pub. Ser.	42	42	42	42
110	108	7	6.48	Do. pref.	109	..	..	..
11	4	.	...	Kelvinator	10	7½	7½	7½
83	73	7	8.64	Do. pref.	83	81	80	80½
x17	15	.	...	Kemsley Mil.	..	..	..	..
40	40	.	...	King Ed. Hotel	40	..	..	..
1⅛	1	.	...	Lake Ont. Brew.	1	..	..	..
47	40	3.20	7.80	Lake of Woods.	44	43	41	41
122	117	7	5.73	Do. pref.	122	..	..	..
15	10½	.	...	Lake Sup. Corp.	12	14¼	11	12¼
185	180	10	5.55	Landed Banking	180	..	..	..
48	43	3	6.78	Laura Secord	46	46	44	44
27	19	1	4.76	Lindsay, C. W.	25	22	21	21
85	82	6.50	7.83	Do. pref.	82	83	83	83
15¾	11¼	80c	5.33	Loblaw (A)	14½	15½	14½	14¾
15¼	11	80c	5.33	Do. (B)	14¼	15	13¾	14
45	40	.	...	Loew's, Marcus	45	..	..	..
83	77	7	8.75	Do. pref.	77	80	80	80
2¾	2¾	60c	...	Loew's, London.	2¾	..	..	..
40	40	.	...	MacKin. Steel	40	..	..	..
96¼	96¼	7	7.27	Do. pref.	96¼	..	..	..
x105	40	2	...	Manitoba Pr.	55	..	..	..
15	13	.	...	Maple Leaf	13	..	..	..
106⅛	92	7	7.44	Do. pref.	94	94	94	94
80	80	6	7.50	Do. (B)	80	..	..	..
45	32	3	8.82	Massey-Harris	35	35	32	32½
27½	22¾	60c	2.51	McColl Fron.	23	26	23	23
87	78½	6	7.05	Do. pref.	85	86	85	85
77	70	.	...	Mexican L. & P.	75	..	..	..
25	25	.	...	Mercury Mills	25	..	..	..
89	85	6	7.05	Do. pref.	85	..	..	..
41	40	.	...	Mitchell, J. S.	40	41	40	40
104	104	7	6.73	Do. pref.	104	..	..	..
33	27	1	3.57	Mitchell, Robt.	29½	29⅜	28	28
x20	20	.	...	Monarch Knit	20	..	..	..
65	58	7	11.66	Do. pref.	60	..	..	..
134	105	6	5.71	Montreal Cot.	105	..	..	..
117	99¾	7	7.01	Do. pref.	99¾	..	..	..
9	3	.	...	Montreal Ex.	8½	8	7½	7½
39	35	.	...	Mont. Is. Pr.	35	..	..	..
77	64½	.	...	Mont. Pr., new.	68	69	64½	64½
162	123	2.40	1.87	Mont. L. & Pr.	134⅞	136¾	123	127
2.10	1.25	.	...	Do. Rights	1.60	1.60	1.25	1.35
50	49½	3+25	6.50	Mont. Loan	50	..	..	..
53	48	3.20	6.15	Montreal Tele.	52	52	52	52
175½	167	10	5.71	Mont. Trams.	175	175	173	175
28½	25	1	3.84	Moore Corp., c.	27½	27	25	25
126	116	7	5.62	Do. (A)	125	124½	124	124½
170	150	7	4.32	Do. (B)	162	162	162	162
10	10	.	...	Mt. Royal Hotel	10	..	..	..
49	49	.	...	Do. pref.	49	..	..	..
3⅝	2¾	40c	...	Muirheads	3	..	..	..
8¾	8½	75c	...	Do. pref.	8¾	..	..	..
x9	.60	.	...	Municipal Ser.	.60	..	..	..
5.37½	5.00	.	...	Mtge. Dis. pf.	5.00	..	..	..
34¾	27	1.60	5.03	Nat. Brew.	31	31¼	29	29
32	29	1.75	5.60	Do. pref.	32	31¾	30	31¾
10	4	.	...	Nat. Brick	8	..	..	..
29½	26	3	11.11	Do. pref.	28	27	27	27
5	3	.	...	Nat. Distilleries	3¼	3	3	3
103¼	100	8	7.74	Nat. Groc., pf.	100½	103¼	103¼	103¼
76⅛	57	2	3.33	Nat. Steel Car.	61½	65	57	58
380	340	12+2	3.78	National Trust	374	370	370	370
21	20	1	...	Niag. W. Weav.	20½	..	..	..
45	44	3	6.81	Do. pref.	44	..	..	..
90	89¾	2	2.22	Nor. Mex. Pr.	90	..	..	..
90	81½	7	8.43	Do. pref.	83	..	..	..
16.00	10.00	.	...	North Star Oil	13.00	13.00	12.00	13.00
5.00	4.95	35c	7.00	Do. pref.	5.00	..	..	..
25	25	.	...	N.S. Steel, pref.	..	25	25	25
450	375	8+17	6.66	Ogilvie	400	390	375	375
127	124½	7	5.55	Do. pref.	125	126	126	126
40	28	6	1.57	Ont. Eq. 10% p.	37	39	34¾	34¾
130	127	6	4.72	Ontario Loan	127	..	..	..
7.00	6.50	.	...	Do. Rights	7.00	7.00	6.50	6.75
22	17	.	...	Ont. Silknit	19	..	..	..
22	18	1.60	7.61	Ont. Steel	21	21	20	20
x108	105	7	6.54	Do. pref.	107	..	..	..
3	1	.	...	Orange Crush	2¾	2¾	2¾	2¾
66	45	7	10.76	Do. (A)	65	..	..	..
15	7⅞	.	...	Do. (B)	10	10	9½	9½
100	87	6	6.59	Ott. L. H. & Pr.	91	100	99	99
104	100	6.50	6.28	Do. pref.	103½	104	103½	103½
34	30	.	...	Ott. Traction	30	30	30	30
105	93½	5	5.20	Page Hersey	97½	97¾	93½	93¾
x264	250	7	...	Do. pref.	264	..	..	..
50	50	.	...	Paton Mfg.	50	..	..	..
x95	90	.	...	Do. pref.	95	..	..	..
3	1	.	...	Pelissiers	1⅝	..	..	..
68¾	68¼	7	10.25	Do. pref.	68¼	..	..	..
77	62	4	6.45	Penmans	65	62	62	62
102	99¾	6	5.94	Do. pref.	101	102	101	101
2¼	1⅛	.	...	Perfection Glass	1½	1½	1⅛	1½
28½	25	2	7.76	Photo Eng.	25¾	25⅝	25	25
91	80	7	8.64	Port Alfred, pf.	82	81	80	81
x67	67	2½	...	Porto Rico Rly.	67	..	..	..
92	84	7	8.33	Do. pref.	85	84	84	84
101	101	7	6.93	Postal Tele.	101	..	..	..
90	69½	1	1.20	Power Corp.	82	87	77	80½
101½	93	6	5.91	Do. pref.	101	101½	101¼	101½
14	7	1	11.11	Prairie C. Oil.	8	9	8	9
24	18¼	1	4.76	Pressed Metals	22½	21	20	20
84	77	2	2.45	Price Bros.	82	82	78	78
105	99	6.50	6.19	Do. pref.	104½	105	105	105
16¼	16¼	1	6.15	Pub. Util. Inv.	16¼	..	..	..
70½	61	2.50	3.84	Quebec Power	65	65½	61	61
x115	112	7	6.25	Real Estate Ln.	112	..	..	..
6	4	.	...	Regent Knit.	4¼	4¼	4¼	4¼
20	5	.	...	Reliance Grain	7½	10	8	8
25	19	2	10.00	R. S. Mills	19	20	20	20
26	21	1.50	6.00	Robinson Cone	25	26	25	25
x72	61	4	...	Rogers, Wm.	72	..	..	..
x100	92	7	...	Do. pref.	99	..	..	..
315	295	12+2	4.59	Royal Bank	307	307	302	302
96	91¾	7	7.36	Ruddy, E. L., pf.	95	..	..	..
90	90	5+1	6.66	Russell Motor	..	90	90	90
100½	96	7	7.00	Do. pref.	100	100	100	100
24½	20	2	10.00	Sarnia Br. (A)	20	..	..	..
12	5	25c	...	Do. (B)	12	7	5	6
54	43	2.60	5.65	Serv. Stn. Eq.	47½	47¼	43	43¼
115	108	6	5.55	Do. pref.	108	..	..	..
82⅛	72½	2.50	3.33	Shawinigan	77¾	78	72¾	74
39	30¼	1.80	5.14	Sher.-Wms.	35	35	35	35
119	116	7	5.93	Do. pref.	118	..	..	..
44½	34	2.50	7.04	Simon & S.	36½	35½	34	34
102	97	7	6.86	Do. pref.	100	102	102	102
95½	89	6½	6.87	Simpson, Ltd.	94	94½	94	94
55	50	2	5.00	Do. (A)	50	..	..	..
37½	35	.	...	Do. (B)	35½	35½	35	35
108	100½	6	5.68	Simpson, R., pf.	104	105½	102¼	105½
22	13	.	...	Smith Paper	13	14	13	13
84	80	6	7.14	Do. pref.	84	84	83	84
38	30	.	...	St. Law. Flour.	30	..	..	..
87	86	7	8.14	Do. pref.	86	..	..	..
13	9	.	...	St. Law. Paper.	9¾	9¾	9	9
71½	65	6	9.09	Do. pref.	66½	67	65	66
91	80	7	8.18	St. Maur. V. pf.	85	85½	84	84
37½	33	1	2.94	So. Can. Pr.	37½	37½	33¾	33¾
106½	103¼	6	5.71	Do. pref.	106	106	105	105
14	14	.	...	Sprucolite	14	..	..	..
26½	18	2	8.69	St. Pav. & Mat.	25	25	23	23
95	84¾	7	7.77	Do. pref.	95	93½	84¾	84¾
3	3	.	...	Stanfords	3	..	..	..
x87	73	7	...	Do. pref.	83	..	..	..
34	25	2+1	...	Stand. Chem.	25	29	29	29
15½	9½	.	...	Stand. Steel	13	13	11	11
41½	37	3	7.50	Do. pref.	40	..	..	..
50	43¼	1.75	3.80	Steel of Can.	47	48½	43¼	44
41½	37	1.75	4.43	Do. pref.	41	41	39	40
12	3½	.	...	Sterling Coal	12	..	..	..
39	24	80+20	2.64	Super. Pet. Ord.	36½	39	35½	36
100	95	7	7.14	Do. pref.	98	..	..	..
38½	24	80+20	2.70	Do. com.	36	38½	35½	35½
65	53½	.	...	Tamblyn	62	..	..	..
102	98	7	7.07	Do. pref.	101	101	98¼	100
40	37	3.50	8.75	Thayers, pref.	40	..	..	..
39	30	.	...	Tip Top Tailors	32½	33	32	32
108	100¼	7	6.98	Do. pref.	100¼	103	100¼	103
30	28	.	...	Tooke Bros.	29½	28	28	28
80	78	7	8.75	Do. pref.	80	80	80	80
21	19	.	...	Tor. Elevators	19	..	..	..
255	240	12	4.80	Tor. G. Trusts	250	..	..	..
125	109	6	5.45	Toronto Mtge.	110	..	..	..
4	1	.	...	Traymore	2½	2½	2½	2½
12	9	1.40	...	Do. pref.	9	9⅛	9	9⅛
210	180	4+2	2.85	Tuckett Tob.	200	210	200	210
125	113	7	5.60	Do. pref.	122	125	121	125
32½	19½	4	20.00	Twin City	21¼	20½	20	20
x96½	96½	7	7.25	Do. pref.	96½	..	..	..
30½	25	1.65	5.40	Union N. Gas.	30	30½	30½	30½
122	122	7+1	6.55	Union Trust	122	..	..	..
20	13½	.	...	United Fuel	19	19	19	19
77½	73	6	7.89	Do. pref.	76	76	76	76
50	48	.	...	United Secs.	49	50	50	50
3	1	.	...	Vacuum Gas	2	..	..	..
15	9	.	...	Viau Biscuit	14½	10	10	10
85	81	7	8.33	Do. pref.	82	84	84	84
x58	38	.	...	Wabasso	38	..	..	..
13¾	8	1	8.69	Walker-Good.	12	13	11	11⅝
16½	13⅞	1	7.14	Waterloo Mfg.	13⅞	14	13⅞	14
37¼	18	1	3.33	Weston	36	37	30	30
91½	89	7	7.77	Do. pref.	90	..	..	..
25	20	1.40	6.36	West. C. Flour.	23	22	22	22
104	101	6.50	6.31	Do. pref.	102	103	102	103
23	19½	.	...	West. Grocers	19½	..	..	..
68	63	7	11.11	Do. pref.	63¼	63	63	63
41	25	50c	...	West. St. Prod.	37	37	37	37
95½	90	6.50	6.84	Do. pref.	95	95	95	95
x15	10	.	...	Whittall Can.	10	..	..	..
9¾	8	.	...	Wm. Alloy Prod.	9	..	..	..
25	25	.	...	Windsor Hotel	25	..	..	..
82½	79	6.50	7.87	Do. pref.	82½	82½	81½	81½
54	39½	2	4.73	Winnipeg Elec.	42¼	42½	42	42⅛
103	98¼	7	6.82	Do. pref.	101	102¾	102¼	102½

SIMON SALES RUNNING AHEAD OF LAST YEAR

Outlook for Increased Business in 1930 Favorable

From Our Own Correspondent

MONTREAL.—H. Simon & Sons sales to date are still ahead of those of last year though the active summer season is hardly yet under way. The general market for higher grade cigars is not as satisfactory as it was last year though no slump in sales is anticipated. The company has a wide diversification of brands and should be able to make further headway during the current year.

Sales of the last innovation to be introduced in Simon products, the humitube, have been encouraging and the cigar protector is now a standardized Simon product. Other stimulants to merchandising introduced by the company have proved satisfactory in the past and new encouragements to the cigar buyer may be expected from time to time.

While Simon's financial structure is sound and is steadily being strengthened by redemption of preferred stock, its position in the trade gives it ability to withstand the shocks of a variable tobacco market. This year the crop of Java Tobacco has been exceptionally poor and the supply of leaves for Java wrappers, of which Simons uses a substantial amount, is negligible. Through its wide turn over, however, Simons is able to buy in large quantities and consequently always has a couple of years supply of Java wrappers stored against a bad crop. Thus the Java market has little or no effect on current operations. The company has a good supply on hand and will be able to defer further purchases until next year when a better crop is anticipated.

Keeps Cost Down

In this way Simons is able to keep his costs at a low figure, in fact economies are a feature of operations. For instance, two years ago the company introduced a brand of small cigars known as Simonettes. They met with a keen demand and in addition to providing a source of revenue, they provided a means of marketing the "shorts" of the best tobacco leaves. These shorts cannot be put into high grade cigars, as they are not up to size requirements; they are, however, all used up in the small brand of cigar and make profitable what otherwise might have to be discarded.

West Kootenay Wins Power Fight

A decision has just been reached by the water power commission of British Columbia favoring the development plans of the West Kootenay Power and Light Co. Ltd., for the Pend Oreille power site.

The Reeves-McDonald Mines Ltd. and the Selkirk Power Company were both contesting the right to this development but the latter company withdrew from the fight at the last minute.

This decision gives West Kootenay practically ful control of the Pend Oreille River on the Canadian side of the international boundary. The present plans call for one development at the mouth of the river with a dam 150 feet high and another farther up the river with a dam 155 feet high. The total available power from these two sites is reported to aggregate 300,000 h.p.

Sussex Ginger Ale Plans to Double Plant Capacity

From Our Own Correspondent

MONTREAL. — Alterations at the plant of Sussex Ginger Ale Company in Sussex, N.B., are expected to be completed by the end of May and when finished will almost double the present capacity of the plant. Output has been curtailed in the first quarter and has fallen below that of the same period a year ago.

Sussex Ginger Ale was formed in October, 1929, to take over two established beverage concerns operating in New Brunswick, the Sussex Mineral Springs and Sussex Beverage Company. An offering of 7,500 shares of preferred and 4,000 shares of common stock was made at that time, the proceeds being used to pay for the businesses acquired and to provide funds for the expansion of plant which is at present being undertaken.

MANY COMPANIES AIDED BY CHANGE IN TARIFF RATES

No Alarm Felt Over Added Preference to British Countries

The budget was received without alarm by most companies in which there is an investment interest so far as tariff decreases in favor of Great Britain are concerned and favorably in so far as protection against the keener United States competition is given. The drop in sales tax pleased all, though some said they thought the time had come for it to disappear altogether. The protection for fruit, vegetable and dairy men was acceptable to packing establishments as tending to help the farmer.

Canadian Canners

Canadian Canners will not be adversely affected. Tin will cost no more and no increase in price to farmers for fruit and vegetables is expected, as it has been a policy always to buy the farmers' surplus in any case so that it is a ready market in a time of plenitude but not in times of shortage.

Page-Hersey

Page-Hersey Tubes will be helped by countervailing duties which will raise automatically duties on castiron pipe against United States from $8 to $10 a ton with the proviso that it shall be the same as the United States rate against Canada when that is higher. As the United States charges 20 per cent on castiron pipes valued at not more than 5 cents a pound this $10 rate is only a minimum which would be charged if the U. S. rate dropped.

Massey-Harris

Massey-Harris Co. will not be adversely affected by reduction of all rates on tractors valued at more than $1,400 and the placing of other agricultural machinery on the free list under the British preference. Little is imported from the British Isles in any case. The provisions making all Canadians resident abroad liable to taxes in respect of dividend, interest and income when they are employees, officers or directors of a Canadian concern affects this company more as it does all Canadian companies doing a large foreign business.

Manufacturers of gas stoves and ranges are helped.

Eastern Steel Products

Eastern Steel Products is adversely affected in two ways: an increased duty on corrugated steel, sheets, its principal raw material, and a lower duty on corrugated steel, the firm's principal product. Primary steel producers helped and secondary producers handicapped, in opinion of J. G. Lorriman, manager.

National Sewer Pipe

National Sewer Pipe is not affected by the tariff changes. The item placing unglazed drain tiles on the free list so far as the British preferential tariff is concerned does not matter to the company as the freight on the product of any company in the British Isles, is a sufficient protection. The prices charged the farmers who use 90 per cent of this product are so low in any case that foreign makers would not be able to compete with Canadian. Even United States makers cannot compete in this field in Canada.

Photo-Engravers

Photo-Engravers, Ltd., will not be affected except to a slight extent in prices of raw materials.

Port Hope Sanitary

Port Hope Sanitary expects no bad results from increase of British preference on some of their products.

Little Likelihood of Hotel Merger

From Our Own Correspondent

MONTREAL.—Rumors of a merger of hotel properties which would include the Ritz-Carlton, the Mount Royal and the Windsor, are given little credence by those close to the situation. For some time efforts have been made to dispose of the Ritz-Carlton to outside interests, with a view to putting new capital into the enterprise and carrying out a large programme of alteration and renovation. However, the fact that the hotel business is very much in the doldrums at the present time as far as profitable operation is concerned is thought to definitely preclude possibility of change in the status quo. Furthermore it is understood that those in charge of Montreal's leading hostelreys are quite content to carry on business as separate competitive units rather than have them merged together. At the present time several of the directors of the Mount Royal and the Windsor overlap but this is more of a coincidence than an indication of single control.

Coast Copper Expects Better Results at Depth

Coast Copper annual report, full details of which have just come to hand, states that development of the lower level is being looked forward to with hopefulness. Electric haulage has been installed on the 800, 1,000 and 1,200 foot levels and all new equipment is working satisfactorily.

Assets of the company at the close of 1929 are shown at $2,974,469, an increase of $212,437 over 1928. These include current assets of $16,378; deferred assets of $1,740,800 which includes $1,735,941, development expenses and $2,927, organization expenses. The balance of the assets are fixed, being made up by value of mining property, $1,089,652 and plant and equipment.

Current liabilities amount to $385,579 giving an excess of current liabilities over current assets of $369,201. Largest current liability is bond interest of $367,850. Deferred liabilities include advances from Consolidated Mining and Smelting of $836,980 and bonds, $750,000. Capital stock liability is $1,000,000.

Yates and Co. Admit Partner

From Our Own Correspondent

MONTREAL. — Mackenzie R. Campbell has been admitted to partnership in the firm of Yates & Co., members of the Montreal Stock Exchange and Montreal Curb Market. Mr. Campbell was connected with the firm of O'Brien and Williams, and prior to that with the Canadian Bank of Commerce.

Milton Brick Redeems Bonds

On April 1, 1930 Milton Brick Limited, redeemed $50,000 of their 6½ per cent first mortgage sinking fund bonds through the operation of the sinking fund. This leaves $270,400 outstanding out of a total of $350,000 authorized and issued.

OCTOBER OPTION EXPRESSES VIEW WORST IS OVER

But Present Wheat Prices Are Equivalent of Below Dollar

From Our Own Correspondent

WINNIPEG. — Some slight strengthening of the wheat market at the beginning of the week was due to increased world shipments last week, and especially to large clearances from North America. This followed, however, a week of extraordinarily small shipments. It will take several weeks continuance of good shipments to prove that Europe is materially increasing her imports of wheat.

Movement of wheat from the Head of the Lakes, while in progress, is at a very slow rate for this time of year. Many of the cargoes so far shipped have been in small vessels taking from 50,000 to 90,000 bushels, and the bigger lake boats have figured in the movement to only a small extent

Deliveries of wheat through the clearing house have been at a surprisingly small rate, considering the slack demand. One reason is the fact that hedges were for the most part transferred to later months. Another is that comparatively low prices, together with the plentiful supply of No. 1 Northern wheat have narrowed the spreads on No. 2 and No. 3 Northern. The former now stands at 2½c. and the latter at 5c., as against the regulation 3c. and 8c. Spreads on No.'s 4 and 5 at 9c. and 15¼c. are also extremely narrow. These grades are scarce, especially at the Head of the Lakes. Last year's crop produced very little of them and the previous year's supply of them is pretty well cleared up. What remains of the 1928 crop is mostly No. 6 and feed wheat.

FORD REPORT MAY 19

Annual report of Ford Motor Co. of Canada will not be available until the annual meeting on May 19.

Mining Stock Quotations

WEEK ENDED MAY 5

Par Val.	Range High	1930 Low	Company	Close Apr. 28 (or last)	High for week	Low for week	Close May 5
$1	1.42	.55	Abana	.67	.70	.55	.55
1	.09	.02	Aconda	.03	.03	.02	.03
None	.50	.32	Aladdin	.33	....	....	....
1	.17	.03	Albain M.	.04	....	....	....
None	.50	.03	Aldermac	.40	....	....	....
1	.01	.00¼	Algonquin	.00¼	....	....	....
1	.19	.02	Amity C.	.06½	.07	.02	.04
None	1.95	.69	Amulet	.90	.91	.69	.69
1	.90	.70	Anglo-Sudbury	.70	....	....	....
1	.02	.01½	Ankerite	.02½	....	....	....
1	.01	.00¼	Apex	.00½	....	....	....
1	.10	.05	Area	.07	.07	.07	.07
1	.02	.00¼	Argo. Con.	.00¼	....	....	....
1	.30	.05	Arno	.07	.07	.05	.06½
1	.01	.00½	Atlas	.00½	.00½	.00½	.00½
1	.03	.01½	Astoria	.01½	....	....	....
1	.03½	.01½	Baldwin	.02⅛	.02⅛	.01¾	.01¾
1	.24	.12	Barry Holl.	.16½	.17	.15	.15
None	4.45	2.15	Base Metals	2.85	2.60	2.15	2.30
None	.05	.01½	Bathurst	.02¼	.02¼	.02¼	.02¼
5	6.10	4.11	B'Wana	4.25	4.16	4.11	4.16
1	.32	.15	Bedford	.17	....	....	....
1	.11	.02½	Bidgood	.03	.03	.02½	.02½
1	1.04	.36	Big Missouri	.40	.43	.36	.36
1	.11	.03¾	Bobjo	.07½	.07	.05	.06½
None	.01½	.00½	Boischatel	.01½	.00⅞	.00¾	.00¾
1	.06¾	.03	Brett Trethewey	.03	....	....	....
1	.04	.04	Brit. Canadian	.04	....	....	....
None	.14	.01½	Brownlee	.07	.09¼	.0[illegible]¼	.09¼
1	.02¼	.00½	Buckingham	.01	....	....	....
None	.08	.02	Bunker Hill	.02½	.02½	.02¼	.02½
None	.14	.05	Cal. Flin Flon.	.05½	....	....	....
	.02½	.02½	Callinan	....	.02½	.02½	.02½
None	.65	.15	Canam Metals	.20	.25	.15	.15
1	.08	.00½	Can. Kirk	.02¼	.03½	.02½	.03½
1	.06	.02	Can. Lorraine	.02	....	....	....
1	.02	.00½	Capitol R.	.00⅝	....	....	....
1	.04¼	.04¼	Capitol S.	.04¼	....	....	....
1	.28	.15	Castle Tre.	.17½	.20	.17½	.17½
1	.29	.10	Cen. Man.	.12	.13	.11	.12
1	.30	.16	Cen. Patricia	.22	.21	.20	.20
1	.15	.05	Champion Reef	.11	....	....	....
1	.07⅛	.05	Chaput H.	.05½	.05½	.05½	.05½
None	1.05	.35	Chib. Pros.	.35	....	....	....
None	.07	.00¾	Clericy	.01¼	....	....	....
5	24.00	10.00	Coast Copper	16.00	15.00	13.00	13.00
1	.42	.05	Cobalt Con.	.13¼	.16¼	.12	.13½
1	.00⅞	.00⅜	Col. Kirk	.00½	.00¾	.00¾	.00¾
1	1.17	.32	Columario	.60	.60	.52	.52
5	1.40	.80	Coniagas	.85	....	....	....
5	.60	.25	Coniaurum	.32	....	....	....
25	280.00	213.00	Cons. Smelters	220.00	220.00	213.00	215.00
	1.80	.50	Do., Rights	1.40	1.30	.50	.75
1	.01¼	.00½	Corona	.00½	....	....	....
1	.02	.00½	Crown Res.	.00½	....	....	....
None	.39½	.15	Dom. Explor.	.23	.21½	.19½	.20
None	9.30	7.00	Dome Mines	8.75	8.75	8.00	8.10
1	.01¼	.00½	Dom. Kirk	.01	....	....	....
1	.01	.00⅞	Don. Rouyn	.01	....	....	....
1	.05	.00½	Dunkin	.01½	....	....	....
1	*.60	.55	Duthie	.56	....	....	....
1	.04	.01	Duprat	.01½	.01½	.01	.01
1	*.04	.04	Elstone	.04	....	....	....
None	.04	.03	Engineers Hold	.03	....	....	....
1	.01	.00½	Everett	.00½	....	....	....
None	6.50	2.40	Falconbridge	2.71	3.60	2.75	3.05
1	.02	.00½	Federal Kirk	.00½	....	....	....
	.05½	.01	Flintoba	.01	....	....	....
5	*6.25	4.00	Franco Can. Gen.	4.00	....	....	....
1	*2.00	1.75	Do., Def.	1.75	....	....	....
None	.24½	.14	Gem Lake	.18¼	.18	.17½	.17½
1	4.50	1.20	George Cop.	1.80	1.80	1.20	1.20
None	.07	.01	Gilbec	.04	.02	.02	.02
1	.95	.55	Golconda	.71	.76	.74	.75
1	.04½	.02½	Goldale	.03	....	....	....
10	.58	.43	Goldfield	.50	.50	.43	.43
1	.01	.00¼	Gold Hill	.00¼	....	....	....
1	.00¼	.00¼	Gold Reef	.00¼	....	....	....
1	.10	.02½	Goodfish	.05	.04½	.04	.04
1	.05	.01	Graham	.01½	.01	.01	.01
50c.	.17½	.06	Grandview	.07	.07½	.06	.06
None	2.05	1.03	Granada	1.85	1.85	1.50	1.50
1	.01	.00¼	Grover Daley	.00¼	....	....	....
1	.03½	.03½	Grorzelle	....	.03½	.03½	.03½
1	.03	.01	Harker	.01	.01	.01	.01
None	*.06	.01	Harvie Exp.	.04½	....	....	....
1	.18	.10½	Hayden	.10½	....	....	....
1	.01	.00¼	Hilltop	.00⅜	.00½	.00½	.00½
5	6.65	4.90	Hollinger	6.50	6.65	6.15	6.30
1	1.40	.66	Howey Gold	.68	.92	.67	.86
None	14.65	8.50	Hudson Bay	9.30	9.75	8.50	9.00
1	.09	.02	Indian	.02	....	....	....
None	44.50	30.00	Int. Nickel	35.10	35.60	30.00	32.50
1	.03½	.01½	Jackson M.	.02	.02¼	.02	.02
1	.40	.30	Keeley	.35	.35	.30	.35
1	*.03	.00½	Keora M.	.02½	....	....	....
1	.01	.00½	King Kirk	.00½	....	....	....
1	*.07	.02½	Kirk. Townsite	.07	....	....	....
1	.01¼	.00½	Kirk. Hunt.	.01	.01	.01	.01
1	.95	.50	Kirk. Lake	.64	.72	.60	.60
1	.03½	.01	Kirk. Prem.	.02	.01½	.01	.01
20	.80	.02½	Koot. Flor.	.03	.03½	.03	.03¼
25c.	.07	.02¼	Koot. King	.02½	....	....	....
1	.84	.50	Lake Geneva	.50	....	....	....
1	24.00	19.00	Lake Shore	22.85	22.95	22.25	22.25
1	.04	.00¾	Laval	.00¾	....	....	....
1	.02	.01	Lebel Ore	.01	....	....	....
1	.01	.00¼	Lorraine C.	.01	....	....	....
10c.	.10	.08	Lucky Jim	.10	....	....	....
1	.13	.06	Macassa	.06½	.08	.08	.08
1	.07	.02	Malartic	.03	.03	.03	.03
	.01	.00¼	Malrobic	.01	....	....	....
None	.35	.15	Mandy	.20	.20	.15	.19
None	.17	.05	Man. Basin	.07	.06	.05	.05
None	.02	.00½	Marriott	.01	....	....	....
None	.30	.15	McDougall	.16	.20	.16	.16
1	.60	.30	McKinley	.42	.37	.37	.37
5	19.80	15.05	McIntyre	19.25	19.00	17.75	18.00
1	.50	.20	McMillan	.35	....	....	....
1	.30	.14	McVittie	.25	....	....	....
1	.00½	.00⅜	Millcrest	.00½	....	....	....
5	3.60	1.40	Mining Corp.	1.75	1.80	1.40	1.55
1	.01½	.01	Mint Ore	.01	....	....	....
1	.04½	.03	Moffatt Hall	.03	.03	.03	.03
1	.04	.03	Moneta	.03	....	....	....
1	.07	.01	Montreal R.	.01	....	....	....
1	.50	.10	Moss	.22	....	....	....
1	.02¾	.01½	Murphy	.01¾	.02	.02	.02
1	.26	.06	Newbec	.09	.09¼	.06	.09¼
1	.03½	.03	Night Hawk	.03½	....	....	....
5	1.85	1.45	Nipissing	1.53	1.55	1.45	1.45
50c.	.40	.12	Noble Five	.12½	.13	.13	.13
None	44.25	25.00	Noranda	30.00	30.25	25.00	25.20
1	.46	.29	Nor. Canada	.30	.30	.26	.26
	40.00	40.00	Noroque	40.00	....	....	....
None	.07	.02	Old Colony	.03	.02½	.02	.02
1	.03¾	.01	Ophir	.02½	.02½	.02	.02½
50c.	.17½	.07	Oregon Cop.	.14	.14	.13	.13
1	.24¾	.11	Oriole	.11	....	....	....
1	.30	.10	Osisko	.13½	....	....	....
	27.50	26.00	Pandora Units	27.50	....	....	....
None	.60	.03½	Patterson Cop.	.04	....	....	....
1	.03	.02	Pawnee Kirk	.02½	.03	.02	.02
None	5.15	1.00	Pend. Ore.	1.25	1.30	1.00	1.20
1	.19¼	.09	P.L. Cobalt	.10	.10	.09	.09
1	.01	.00¼	Picard	.00½	....	....	....
1	.20	.10	Pioneer	.11	.11	.11	.11
1	.01½	.00¼	Porc. Crown	.00¼	....	....	....
1	.01½	.00¾	Porc. Keora	.01½	....	....	....
1	.03¼	.01	Potter Doal	.01	.02	.01	.01¼
1	1.60	.95	Prem. Gold	1.02	1.01	.95	.95
1	.03	.00¾	Preston	.01	....	....	....
1	.70	.40	Quemont	.40	....	....	....
None	1.78	.35	Reeves McD.	.45	.45	.35	.35
1	.02½	.00½	Ribago	.01	....	....	....
1	.09	.02	Ritchie	.03½	.03	.02½	.02½
1	.04	.00¼	R. Montbray	.00¼	....	....	....
25c.	.25	.10	Ruth Hope	.13	.10	.10	.10
1	.08	.02	Salmo Mal.	.05½	....	....	....
None	.35	.12	San Antonio	.22	.22	.20	.20
1	.68	.52	Seven Troughs	.52	....	....	....
1	3.50	1.76	Sherritt G.	1.85	2.05	1.80	1.81
1	.75	.30	Siscoe	.39	.38	.33½	.33½
25c.	*.33	.05	Slocan Ramb.	....	....	....	....
50c.	.26	.09	Snowflake	.11½	.11½	.10½	.10½
1	.02½	.02½	So. Keora	.02½	....	....	....
None	.05	.02	Stadacona	.03	.03	.02	.02¼
1	.29	.08	St. Anthony	.10	.10	.09	.09
None	5.35	1.70	Sud. Basin	1.84	2.10	1.70	1.92
1	.05	.01	Sud. Contact	.01½	....	....	....
1	.01	.00½	Sudbury M.	.00½	....	....	....
None	.20	.10	Sudbury N.	.16	....	....	....
1	1.00	.60	Sunloch	1.00	.70	.60	.70
1	1.02	.42	Sylvanite	.51	.50	.50	.50
1	.22	.09	Tashota	.12	.12	.10	.12
1	6.80	4.70	Teck Hughes	6.45	6.80	6.25	6.45
1	.19	.09	Telluride	.10	.17	.16	.16
1	.12	.04	Thom. Cad'c.	.04½	.05	.04	.04
1	.02	.02	Temiskaming	.02	....	....	....
50c.	.06	.02	Topley	.02½	.02	.02	.02
5	*2.50	.80	Toric	.80	....	....	....
1	.02	.00½	Tough Oakes	.00½	.00½	.00½	.00½
1	1.50	.50	Towagmac	.70	.65	.65	.65
None	7.50	4.50	Treadwell Y.	6.00	6.00	4.50	4.50
None	.05	.03½	United Algoma	.04	....	....	....
None	3.50	1.15	Ventures	1.81	1.60	1.15	1.15
1	1.10	.60	Vipond	.99	1.09	.99	1.05
None	5.65	2.40	Waite Ack.	2.50	2.55	2.40	2.40
1	*.10½	.10½	Walsh Kat.	.10½	....	....	....
1	.02	.01	West D. Lake	.01½	....	....	....
	.09	.03	West Tree	.05	....	....	....
1	1.30	.40	White Lake	.75	.72	.60	.60
1	.24	.07	Whitewater	.07	....	....	....
1	.04	.02	Wiltsey	.03	....	....	....
None	.01¼	.00½	Windfall R.	.00½	....	....	....
None	.08	.02½	Woodbine	.04½	.05	.03	.03½
	.07	.03	Wood Kirk	.04	.03½	.03½	.03½
None	2.10	1.35	Wright-Har.	1.95	1.98	1.86	1.86
			WESTERN OIL STOCKS				
1	.70	.05	Acme	.08½	.08	.05	.07
1	2.10	2.00	Admiral	2.00	....	....	....
None	8.00	5.00	Advance	5.00	....	....	....
	1.25	1.00	Advance New	1.25	....	....	....
1	2.75	1.25	Alta. Pac.	1.56	1.74	1.39	1.40
None	2.00	.60	Associated	.85	.90	.60	.65
1	2.60	.80	Ajax	1.47	1.55	1.26	1.35
None	1.60	.20	Baltac	.28	.25	.20	.24
1	.15	.10	Black Dia.	.15	....	....	....
1	.74	.35	Brit. Dom.	.40	.40	.85	.35
1	4.25	.97	Calmont	1.19	1.50	1.19	1.45
None	3.90	1.20	Calgary & Ed.	1.25	1.38	1.20	1.20
None	*2.10	1.50	Cameron Pete	1.72½	....	....	....
1	1.00	.40	Comm. Pete.	.43	.45	.40	.41
None	.25	.10	Cypress	.15	....	....	....
1	.50	.45	Dallas	.50	....	....	....
None	3.50	1.05	Dalhousie	1.25	1.25	1.05	1.11
None	.30	.15	Devenish	.15½	.17	.15	.15
None	.26	.16	Dome Oil	.10	.07	.06	.06
None	1.35	.35	E. Crest	.40	.44	.35	.41
None	*.37	.35	Exchequer	.37	....	....	....
1	.08	.05	Fabyan Pete.	.06	.06	.06	.06
None	2.50	1.00	Foothills	1.50	1.40	1.17	1.40
None	1.00	.36	Freehold	.55	.53	.45	.48
1	.20	.06	Great West	.08	.08	.07	.07
None	1.40	.53	Hargal	.72	.71	.53	.58
None	.45	.30	Herron Pete.	.35	.38	.35	.38
5	.50	.50	Highwood Pete	.50	....	....	....
None	.26	.14	High Sarcee	.15	.16	.14	.14
None	11.90	6.50	Home	7.70	7.60	6.50	6.50
None	10.00	6.50	Do. New	7.60	7.40	6.50	6.55
None	.80	.41	Homestead	.43	.55	.41	.50
1	.55	.17	Ill. Alta	.22	.21	.17	.18½
None	2.35	1.40	Lowery	1.80	....	....	....
1	.20	.04½	Madison	.06½	.06	.04½	.05
1	3.25	.60	Mayland	.88	1.00	.85	.90
None	.33	.14	McD. S. Ex. Can.	.15	.16	.14	.15
1	1.10	.52	McD. S. N.	.62	.67½	.52	.58
1	5.90	1.58	McLeod	1.81	1.85	1.58	1.58
None	.87	.23½	Mercury	.25½	.28	.23½	.25½
None	1.05	.16	Merland	.17	.20	.16½	.18½
1	.42	.16	Mid West	.19	.19	.16	.19
None	2.10	.24	Mill City Pete	.28	.48	.24	.40
1	.45	.22	Model	.25	.25	.22	.23
1	.91	.50	Monalta	.70	.74	.50	.50
1	.23	.22	Moose M.	.22	....	....	....
1	.10	.05	New Federal	.05	....	....	....
1	*.85	.30	New Valley	.40	....	....	....
None	1.69	.60½	Nordon	.81	1.25	.80	1.06
None	.27	.22	Oil Select	.22	....	....	....
None	2.10	.49	Okalta	.65	.64	.49	.49
100	45.00	40.00	Do. pref.	42.00	....	....	....
1	.28	.11	Petrol	.25½	.25	.20	.21
None	.43½	.17	Ranchmen's	.17	.19	.17	.19
1	.45	.07	Regent	.12	.10	.07	.07
None	.48	.15	Richfield	.15	.17	.15	.16
None	65.00	25.00	Royalite	27.00	27.00	25.00	25.00
1	1.46	.95	Sarnia Oil	.95	....	....	....
1	.20	.20	Sentinel	.20	....	....	....
1	.50	.50	Sioux City	.50	....	....	....
1	.22½	.10	Signal Hill	.13	.13	.10	.10
1	1.30	.35	Spooner	.35	.40	.36	.40
None	2.10	.41	So. West Pete	.53	.65	.41	.41
None	1.08	.15	Sterling Pac.	.21	.23	.21	.21
None	.68	.66	Sunlight	.68	....	....	....
1	.60	.28	Turner Valley	.30	.30	.30	.30
None	1.65	.44	United	.48	.50	.45	.48
None	.83	.65	Vanalta	.83	.75	.65	.65
1	.80	.25	Vulcan	.27	.26	.25	.25
None	.15	.03	Wainwell	.03½	.05	.04	.04
1	1.75	.54	Waite Valley	.55	.56	.54	.55
	.35	.35	Western Alta	.35	....	....	....
1	1.25	1.01	Westfield	1.25	....	....	....

*Quotation for 1929. No sales recorded in 1930 to date.

DIVIDEND PAYERS

Company	Rate	Yield	Company	Rate	Yield
Bunker Hill	75c.	....	McIntyre	$1	5.55
Canam Metal	2c.	....	Mining Corp.	25c.	16.12
Cons. Smelters	$12.50	5.81	Nipissing	30c.	20.67
Dome Mines	$1	12.34	Noranda	$3	11.90
Hollinger	65c.	10.31	Premier	24c.	25.26
Home Oil	80c.	....	Royalite	25c.	...
Inter. Nickel	$1	3.07	Teck Hughes	60c.	9.30
Lake Shore	$1.20	5.39			

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Moncton Fredericton

S. A. Morrison & Co. LIMITED
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STIFF BROS. & SIME
Chartered Accountants
Continental Life Building, TORONTO

MILLAR, MACDONALD & CO.
CHARTERED ACCOUNTANTS
WINNIPEG *WINDSOR*

CLARKSON, GORDON, DILWORTH, GUILFOYLE & NASH of TORONTO and
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SHAREHOLDERS
FAMOUS PLAYERS CANADIAN
CORPORATION LIMITED
are requested to meet
at 8 o'clock in the evening of Thursday, the 15th day of May, 1930, in the
King Edward Hotel, Toronto
to consider a proposed exchange of their shares for those of Paramount Famous Lasky Corporation, and all circumstances connected therewith. All shareholders are urged to be personally present.
SHAREHOLDERS FAMOUS PLAYERS
Protective Association,
ARTHUR W. ROEBUCK, Legal Counsel,
Sterling Tower, Toronto, Ontario.

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GROUP CONTRACT PROVIDES DOWERS FOR ALL TYPISTS

Insured Pension Scheme Includes Disability Benefits and Marriage Dowers

Employees of the Jaeger woollen goods manufacturing and distributing interests in Canada and England have enrolled in co-operative insured pensions schemes which, in addition to liberal retirement incomes, include approximately $400,000 of group life insurance, total and permanent disability benefits and a marriage dower for women provided by the employer.

The pensions, established mainly by means of systematic contributions of participating employees and their respective employers, and payable normally from age 65 for life for both men and women, will be provided by means of deferred annuities purchased by these joint deposits from the Metropolitan Life.

One of the interesting features is the employer's agreement to pay the entire cost of pensions based on service before the retirement scheme became effective. With this single exception the entire plan is cooperative, with the employer and employes sharing the cost of the insurance protection and of that part of pensions based on future service. Arrangements also have been made with the insurance company permitting employes to apply balances in savings and bonus funds of their respective companies toward increasing their retirement pensions.

The only condition imposed for enrollment in the scheme is the completion of six months' service. For both pension and life insurance purposes, the employes are divided into classes, according to their earnings. For weekly contributions, ranging from 25 cents to $3.00 the employes will receive, on retiring at age 65, pensions ranging from $5.00 a year to $60 a year, for each year of service rendered after the plan became effective. For service before that date, one half the above amounts, multiplied by years of prior service, will be added to the pensions. The life insurance benefits range from a minimum of $500, costing the employes 30 cents a month, to a maximum of $2,500, costing them $1.50 a month. The total and permanent disability provisions are part of the life insurance contract, and provide for payments of the capital amounts of insurance, in monthly installments, with interest, if an employee becomes so disabled before age 60.

The pensions contract includes liberal concessions in case of death, or withdrawal from the company.

Two provisions of the pension arrangement are of special interest to women employes and to the wives enrolled in the plan. On leaving to marry, after two years' or more service, a woman employee may have all her pension contributions returned to her, with a marriage dower in the form of 6 per cent compound interest, added by the employer. Provisions may also be made for continuing payment of a retired employee's pension to his widow, when the employee agrees to a suitable reduction in amount of his pension.

Insurance Inklings

J. B. MCKECHNIE, general manager of the Manufacturers Life, has gone to Sweden to represent his company at the International Congress of Actuaries.

CANADIAN INSURANCE SHARES will open a branch at Edmonton under the management of HENRY JONES, formerly of Winnipeg.

HUDSON J. STOWE has been appointed assistant actuary of the Manufacturers Life.

FRANK S. JOHNSON, assistant manager for Canada of the General Casualty Insurance of Paris, has been appointed general manager for Canada to succeed Thomas F. Dobbin who retired recently on account of ill health.

DAVID R. WALSH has been appointed fire commisisoner for Montreal to succeed the late Emmett Quinn.
END ADD

Leaders of the Canada Life special honor group for March include DOUGLAS KERR, Vancouver; R. D. STEARNS, Saginaw, and H. J. KOREN, Montreal.

LYMAN ROOT of Toronto, Canadian manager of the Sun Insurance Office and its group will retire June 30.

J. P. McBEATH, formerly casualty manager of Bell-Irving, Creery and Co., has opened an office in Vancouver under the name of J. P. McBeath and Co. to engage in the business of insurance engineers, valuators and appraisers.

P. A. MARTYN, assistant manager at London for the North American Life, has been appointed branch secretary of the Central Ontario agency.

WILFRED THORNE of the London Life has been promoted from the position of inspector to be assistant superintendent of industrial agencies.

Brookville agency of the Mutual Life under the management of J. M. Taylor has been awarded the directors efficiency cup for 1929.

Montreal agency of the Continental Life has taken first place in paid-for business. Toronto was the former leader.

CANADIAN WOODMEN OF THE WORLD is applying to the Dominion parliament for an amendment to its present act to permit it three months premiums instead of two being allocated to the general fund for the purpose of maintaining and administering its business and affairs.

FARRELL AGENCIES of Edmonton have been appointed agents for the Southern Insurance Co.

R. M. McInnis has been appointed southern Saskatchewan inspector for Excelsior Life.

EXCELSIOR LIFE has opened the following branches at points in western Canada: Swift Current with O. F. CRABB as manager; Estevan with J. D. ELLIS as manager; Weyburn with T. W. EARL as manager; Shaunavon with J. E. BARBER as manager and Moose Jaw.

O. R. POWELL, Saskatoon, and L. DUNCAN, Toronto, lead the honor club roll of Continental Life for insurance on a paid-for basis.

CANADIAN FIRE has opened a new Vancouver office in the Stock Exchange building.

Leaders of the Canada Life honor roll for March include C. J. BRACKLEY, Toronto; H. G. RAYMOND, Halifax, and P. VEILLEUX, St. Georges.

BERNARD BENOIT has been appointed Great West Life district manager at Three Rivers, Que.

Mutual Life leaders in large cases during March were S. R. BURROWS, Belleville, with $200,000 sold on the life low rate plan and F. H. McLAREN, Toronto, with $150,000 sold on the same plan.

P. GORDON, London Life agent at St. Catharines, has been promoted to a superintendency at Welland.

J. L. FARRELL, London Life agent at Orillia, has been promoted to a superintendency at Montreal.

LONDON LIFE has opened a new agency at Toronto and promoted B. ROSS to take charge of it.

WILFRED BUTEAU, London Life superintendent at Verdun, has been transferred to St. Hyacinthe. D. O'CONNOR has been promoted from the rank of agent to succeed Mr. Buteau.

J. H. WOOLSEY, London Life superintendent at Windsor, has been transferred to Fort William. N. B. EMIGH has been promoted to succeed Mr. Woolsey.

H. B. MATTHEWS, London Life superintendent at Peterborough, has been transferred to Brantford. F. M. TYRRELL, of Barrie, will succeed him at Peterborough. J. B. FEE has been promoted to take Mr. Tyrrell's place and also take charge of Allendale and Collingwood.

J. L. ROY has been promoted from the London Life agency staff to the rank of superintendent to take charge of the new Drummondville office which is part of the company's Sherbrooke district.

ALAN GEORGE has been appointed London Life district supervisor of Portage La Prairie territory.

P. C. GUNDERSON, London Life branch secretary at Hamilton, has been appointed district supervisor for Hamilton.

ERIC V. CHOWN, field supervisor of the Life Underwriters' Association of Canada, and ROGER B. HULL, managing director and general counsel of the National Association of Life Underwriters, have been appointed joint managers for the fourth International Convention of Life Underwriters to be held at Toronto in September.

Among Mutual Life leading individual producers to March 31 were F. H. McLEAN, Toronto; D. F. FRASER, Belleville, and J. V. TREBELL, Toronto.

WILFRED THORNE, London Life inspector of industrial agencies, has been appointed assistant superintendent of industrial agencies.

H. W. SHOOK, Manufacturers Life resident secretary at Singapore, has been appointed acting manager for south-eastern Asia to succeed F. S. EVANS who is retiring after 28 years with the company.

New business written by MONTREAL LIFE during March totalled $1,216,349.

March applications of GREAT WEST LIFE totalled $6,147,700. Total applications for the first quarter amounted to $20,508,816 as against $21,033,173 for the corresponding period in 1929.

MUTUAL LIFE issued business for March amounted to $4,774,985 and the total for the first quarter of the current year came to $16,106,258.

Large Business Carried By Canadian Life Cos.

The approach of the Confederation Life this year to its first billion dollars of insurance in force and interest in the Mutual Life's nearness to its first half billion in force is turning public attention to the enormous size of Canadian life insurance companies.

The criterion of size alone cannot be taken as the sole test of a life insurance organization, but it serves to show the success of Canadian companies which are now rivalling those of other countries despite the comparatively sparse population of the Dominion which gave them their start.

As an indication of the important place of life insurance the figures of ten large Canadian companies are listed below showing the insurance in force at December 31, last.

In the two billion dollar class is the Sun Life Assurance Co. of Canada with $2,401,237,037 of insurance in force.

Leading the half billion dollar class is the Canada Life with $973,309,374 of business at the close of 1929 and $991,000,000 by March 31 of this year. Third largest of Canadian life companies is the Great West Life with $592,370,122. Also in the half billion dollar class is the Manufacturers Life with $504,481,203.

At the head of the quarter billion class is the Mutual Life Assurance Co. of Canada with $461,310,653 in force which had grown by March 31 to $472,000,000. Also in this class are the London Life with $407,327,631, the Confederation Life with $337,349,248 and the Imperial Life with $289,785,882.

In the one hundred million class are the North American with $190,210,309 and the Dominion with $137,474,551.

These ten companies alone make a good comparative showing against their rivals in the United States. In that country of superlatives and "big business" there were 71 companies with more than a hundred million in force at the close of 1928.

Largest of these is the Metropolitan which had $17,933,600,452 in force at the close of 1929. Next in size is the New York Life with $7,266,000,000 in force at December 31, last. Closely following it are the Prudential and Equitable of New York each with more than three billion in force by the end of 1928. After them follows the Mutual Life of New York with four billions in 1928; the Travelers with four billion in 1929, and the Northwestern Mutual and Aetna each with over three billions at the end of 1928. The remaining 63 companies were all below the two billion class.

When the discrepancies in population between the two countries is taken into consideration, the progress of Canadian life insurance organizations can be appreciated.

Travelers Triumvirate Has Confidence in Canada

Travelers Fire Insurance Co. of Hartford has been licensed in Quebec, Ontario and British Columbia. This completes the invasion of these provinces by the Travelers triumvirate, the first of which entered Canada the year of Confederation.

John Calverly, an Englishman who has worked in the Canadian insurance field for 20 years, has been appointed manager of the Fire company in Quebec and Ontario with offices in Montreal. The first piece of property to be insured through Mr. Calverly's new office was Blarney Castle, the summer home of Senator George G. Foster, K.C., legal agent and attorney of the Travelers companies in Canada.

The Travelers group has great confidence in the future of Canada. At present its investments in the Dominion amount to more than $66,623,484, while its total liabilities to Canadians were $17,610,305 before the arrival of the fire running mate.

Figures running into the hundreds of millions are contained in the last annual statement of the insurance organization comprising the three Travelers Companies of Hartford, Conn.

Total income for the organization last year amounted to nearly $214,000,000, of which $184,550,519 was premium income.

In size the Travelers Insurance Co. now ranks fifth among U.S. companies writing life insurance, business in force at the close of 1929 amounting to $4,734,742,475.

Sun Life Sells Big Group Policy

From Our Own Correspondent

MONTREAL.—Group insurance to the amount of $9,000,000 has been signed up by the Sun Life Assurance Company of Canada, covering 4,000 employees of the Kelvinator Corporation and subsidiaries. It covers employees of the company and its subsidiaries at Detroit, Cleveland, New York, Philadelphia, Cambridge, Grand Rapids, London, Ont., and London, Eng.

The coverage, in addition to life insurance protection, includes health and accident benefits written jointly with the Sun Life in co-operation with the Zurich General Accident and Liability Insurance Company, Limited.

ONT. FIRE LOSS UP FOR MARCH, DOWN IN QUARTER

Decided Improvement Seen During First Quarter Despite Poor March Record

Ontario fire losses during the first quarter of this year showed a decided decrease from the same quarter a year ago, despite the fact that losses in every class were higher in March than during the same month in 1929.

The number of fires during March increased by 100 and the total loss by $83,543, of which $57,840 was insurance loss, according to the Ontario Fire Marshall's current bulletin.

During the first three months of this year, however, the loss decreased by $899,674 of which all but $1,859 was a decrease in insurance loss despite the fact that the number of fires increased by 105. January and February of this year both helped the quarter's figures by recording the first loss decreases since September, 1929.

Comparative Losses, First Quaretr

	No. of Fires	Total Loss	Insurance Loss
1930	1,254	$1,287,936	$1,101,828
1929	1,164	1,204,393	1,043,988
Increase ..	100	83,543	57,840

Comparative Losses, First Quarter

1930	3,536	$3,495,793	$2,868,472
1929	3,431	4,395,467	3,766,287
Decrease ..	105*	899,674	897,815

Losses for 4 Leading Classes, 3 Months

	1930	1929	Decrease
Barns	$205,515	$280,839	$75,324
Dwellings	1,045,783	878,858	*166,925
Stores	836,429	1,203,173	366,744
Factories .	645,337	971,036	325,699

*Indicates increase.

Large Fires in March

Place	Type	Loss
Penetanguishene	Stove Factory	$183,707
Hamilton	Shirt Factory	85,505
Kingston	St. Ry. Barn & Cars	60,650
Sault Ste. Marie	Lyons Fuel & Supply	47,078
Toronto	Electrical Fix. Factory	41,300

Unpropitious Start Given to Companies

Despite gloomy warnings from G. D. Finlayson, Dominion superintendent of insurance, the banking and commerce committee of the House of Commons last week passed acts to incorporate the Consolidated Life Insurance Co. and the Consolidated Fire and Casualty Insurance Co., both of Toronto.

When the bill came before the committee, Mr. Finlayson stated that there are already 28 Canadian life insurance companies and 20 British and foreign rivals in the field. "We are pessimistic of the chances of new insurance companies making good in Canada," he remarked, "but the promoters are optimistic and I suppose parliament will give them a chance." there are already 28 Canadian Life

Help Cordage Plant

In connection with the operation of the Manitoba Cordage Company's plant at Portage La Prairie, the special committee formed to co-operate with the company has been successful in making arrangements with farmers in the locality to produce the necessary acreage of hemp to carry on the business.

The Ontario Equitable Life & Accident Insurance Co.
S. C. TWEED, *President*
Head Office
WATERLOO, ONT.

Insurance in Force	$52,460,013
Assets	7,323,146
Policy Reserves	5,547,433

958

Mutual Life Nears Half Billion in Force

By the end of the first quarter of this year the Mutual Life Assurance Co. of Canada had increased its business in force from $461,310,653 to $472,000,000. This rate of progress will bring the company four million dollars over the half billion mark by the end of the year.

It is now felt by the management that the company has grown to a size where it is expedient to expand beyond Canada and Newfoundland and it is expected that branch offices will be established in New York state this year to keep up the company's rate of production.

Sun Life Agency Forces Reorganized in Montreal

From Our Own Correspondent

MONTREAL.—The Sun Life Assurance Company of Canada has completed a reorganization of its agency forces in Montreal. Branch offices have been increased to six, five of which will be located in the new Head Office building. The original City Division, now known as the St. James Street Branch, will remain located in the company's old head office on Notre Dame Street.

In addition to the six active offices to be maintained in Montreal, the Montreal Cartier branch has been formed to take care of business in territory adjacent to the city. Branch offices formerly maintained in three separate office buildings in the city have been closed and are now located in the new Head Office building.

Confederation Life Writes Large Group

The London and Lancashire Insurance Co. announces that co-operative group insurance is now in force in its various offices throughout Canada. The group underwriting was undertaken by the Confederation Life.

This insurance covers the staff of the head office for Canada at Toronto, branches in Montreal, Winnipeg, Vancouver and St. John and the following associated companies: London and Lancashire Guarantee and Accident Co., Merchants Fire Insurance Co., Quebec Fire Assurance Co. and Queen City Fire Insurance Co.

Female members of the fleet's staff are insured for a flat rate while male members receive increasing protection with each year of service during a period of ten years.

No Ticker Tape Worries

The dollars you put into life insurance are safe.

They earn compound interest at a good rate on the investment portion of your deposit.

They create an estate for your family that cannot be produced in any other way.

They come back to you at a time of life when you need them most.

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HEAD OFFICE-MONTREAL

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Toronto Office: 767 Yonge Street
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1st Vice-President, T. S. McPherson, Victoria, B.C.
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1-3C

PROTECTION

The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost.

This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.

ASSETS:
Reserves - - $36,372,031.45
Surplus - - 2,501,088.12

Independent Order of Foresters
FRANK E. HAND, Supreme Chief Ranger
HEAD OFFICE: TORONTO, CANADA

Annual Statements, January 1, 1930
THE TRAVELERS
L. EDMUND ZACHER, President

The Travelers Insurance Company
(Sixty-sixth Annual Statement)
Has (Assets) $607,292,230.37
These funds are in interest-bearing bonds of Canada, the United States and other governments (including provinces, states, and cities), in securities of railroads and public utilities, in mortgages on city real estate and farms, in other income-producing holdings, and in cash. While thus held for the protection of the Company's policyholders and their beneficiaries, these funds also supply capital for the maintenance and development of public works, transportation, commerce, agriculture and industry. Of this amount the Company
Is Reserving $560,708,588.54
Actuarial calculations show that $529,051,486.91 would be sufficient to meet all obligations under policy contracts and to pay all taxes and discharge all other liabilities which had been incurred prior to January 1, 1930, but on which payment was not then due. That is the total amount which insurance laws require. The Company has, however, voluntarily set aside the further sum of $31,657,101.63, as an additional measure of safety, to care for epidemics, catastrophes and business depressions.
For the Further Protection of Policyholders . . $46,583,641.83
This is the sum by which the assets exceed the reserves and all other liabilities and represents $20,000,000.00 capital and $26,583,641.83 surplus.
Life Insurance in Force $4,734,742,475.00

The Travelers Indemnity Company
(Twenty-fourth Annual Statement)
Has (Assets) $22,047,450.68
Is Reserving $13,151,510.71
Of this amount $11,149,801.53 is for legal reserves and other liabilities and $2,001,709.18 is special reserve which the Company has voluntarily set aside as an additional measure of safety.
For the Further Protection of Policyholders . . $8,895,939.97
This is the sum by which the assets exceed the reserves and all other liabilities and represents $3,000,000.00 capital and $5,895,939.97 surplus.

The Travelers Fire Insurance Company
(Sixth Annual Statement)
Has (Assets) $14,694,864.04
Is Reserving $10,259,673.42
Of this amount $9,493,068.30 is for legal reserves and other liabilities and $766,605.12 is special reserve which the Company has voluntarily set aside as an additional measure of safety.
For the Further Protection of Policyholders . . $4,435,190.62
This is the sum by which the assets exceed the reserves and all other liabilities and represents $2,000,000.00 capital and $2,435,190.62 surplus.

Premium Income, 1929, of The Travelers Companies $184,550,519.38
Total Income, 1929, of The Travelers Companies . $213,925,091.79
This figure includes premium income and investment income.
Total Paid to Date in Policy Benefits . . . $829,850,796.04
The portion paid in 1929 required the issuance of more than nine hundred and seventy-five thousand checks and bank drafts. An average of 3,250 a day—Every business day—Fifty-two weeks.

In 1929, The Travelers disbursed over four million dollars in Canada and invested in Canadian securities more than twelve millions.

Each year, in Canada alone, disbursements on Travelers policy contracts and volume of new business written in the varied Travelers lines, exceed the corresponding figures of many insurance companies for the entire continent.

The Travelers Insurance Company has been licensed in Canada since 1866. The Travelers Indemnity Company has been duly authorized to transact business in the Dominion since 1915. The Travelers Fire Insurance Company recently received its Dominion license and since the first of the present year has been licensed to do business in the provinces of Quebec, Ontario and British Columbia.

Safety Engineering Service $25,108,646.60
For the prevention of accidents, The Travelers maintains an Engineering and Inspection Division with a personnel of 725. To date the Companies have spent $25,108,646.60 in such conservation work for the benefit of policyholders.
To serve policyholders, promptly and efficiently, no matter where they may be, The Travelers has established throughout Canada and the United States, 213 main claim service offices; 1,700 people devote their entire time to this purpose. In addition, thousands of Travelers agents stand ready to render immediate service.
Good Insurance and Good Service
The Travelers
Moral: Insure in The Travelers
LARGEST MULTIPLE-LINE INSURANCE ORGANIZATION IN CANADA
Canadian Branch Offices:
MONTREAL - TORONTO - HALIFAX - QUEBEC - OTTAWA - WINNIPEG - VANCOUVER - CALGARY

THE ONTARIO LOAN AND DEBENTURE CO.
LONDON 58 Years in Business CANADA
Capital, paid-up, $1,750,000 Reserve Fund, $2,875,000
The Company's Debentures are a legal investment for Trust Funds which may also be deposited in the Company's Savings Department.
Money loaned on First Mortgages including building loans. Applications invited.
A. M. SMART, *President.* T. H. MAIN, *Manager.*

PRUDENTIAL
ASSURANCE COMPANY LIMITED of LONDON, ENGLAND
Assets Exceed $1,000,000,000
Licensed for Fire and Casualty Insurance
Investments in Canada exceed $35,000,000
Head Office for Canada: 460 St. John St., Montreal
BERNARD HUMPHREY, Manager for Canada
North West Branch: Huron & Erie Building, Winnipeg
Toronto Agency: Parkes, McVittie & Shaw, Confederation Life Bldg.

Registered with Department of Insurance, Ottawa
Operating in Manitoba, Saskatchewan, Alberta and British Columbia
THE WAWANESA MUTUAL INSURANCE CO.
Canada's Largest Fire Mutual
FIRE LIGHTNING WINDSTORM
Insurance in force over $152,000,000.00 Assets over $2,680,000,000
We are now accepting business in Cities and Towns.
Write us for your requirements!
THE WAWANESA MUTUAL INSURANCE CO.,
Wawanesa, Man.

Current Events in Banking World

CANADIAN POLICY ON GOLD BASIS STIRS COMMENT

U.S. Economist Suggests Central Bank Replace Treasury Board

Replacement of the Dominion Treasury Board by a central bank in Canada could be greatly effective in returning Canada to a sound exchange basis in the opinion of B. H. Beckhart, of Columbia University, writing in the New York Annalist on the subject of "Canada's Experiment with the Temporary Suspension of the Gold Standard." This article is the latest of several by foreign economists and financial observers which deal with the anomalous position of Canada in regard to the gold standard.

While Canadian government officials maintain the fiction that the country is on a gold basis, the free export of gold since January, 1929, has been anything but "free" and in October, 1929, Canada was removed from the gold exchange index of the London Statist because of the fact "that a virtual embargo now exists on gold exports from Canada."

Gold Export Restricted

During 1929, Canada had an adverse balance sheet of trade due to the decline in exports of wheat. There was also a large Canadian commitment in the New York stock and call loan markets. These resulted in the Canadian dollar being at a discount throughout 1929 which, under usual conditions, would have been counteracted by shipment of gold out of Canada. Shipments, however, after January, 1929, were restricted and the exchange rate was unchecked, New York funds reaching a premium of 3 1/16 per cent in October and 2 7/16 per cent in early November.

The return of the Canadian dollar to approximately par during March and April was the reflection of current conditions, largely the placement of a large volume of new Canadian financing in the United States and partially due to withdrawal by Canadian companies and institutions of money which had been on call in New York. This return of Canadian funds to approximate parity with U.S. dollars was not the result of a return to the gold standard and exchange rates during the latter part of April showed a sharp, if small, drop which may precede still further declines marking a decline in the absorption of Canadian securities in the United States.

Money Rate Stable

During 1929, there was an expansion of credit taking place in Canada rather than a contraction and no change was made in the money rate charged the banks by the Treasury Board. Prominent Canadian bankers admit that an increase in the rate would have reduced the high premium set on New York funds in Canada and would have brought the country nearer to a gold basis. Beaudry Leman, president of the Canadian Bankers' Association, while accepting this as a fact, has stated that the commerce and business of the country, including municipal borrowings, would have had to pay considerably higher interest charges and that the internal business of the *country would* have been disturbed and *adversely affec*ted. It is contended that the *lesser of* two evils was followed by maintaining the stability of interest rate.

Mr. Beckhart, in his article in The Annalist, questions the action of the Treasury Board in maintaining interest rates at 4½ per cent and points to the increasing advances to the banks under the finance act. He regards as highly questionable, the Dominion government continuing throughout the year to issue Dominion notes in view of the fact that the gold standard was suspended. The government was left with little "free" gold and with "a reserve percentage alarmingly low." The credit policies of the Treasury Board together with the very low gold base would explain the retreat from a gold basis. He continues:

"The present gold reserve is altogether inadequate for Canada's requirements so long as she desires to remain a gold standard nation. There is really little reason for Canada to do this, her economic and financial relations are so close with the United States that she could with profit and advantage adopt the gold exchange or the dollar exchange standard.

"To do this would presuppose the establishment of a central bank, which would take over the functions of the Treasury Board, hold a part of the reserves of the chartered banks, on whose books clearing balances between the chartered banks could be settled, and thus have command of large dollar exchange reserves. The establishment of such an institution, assuming an enlightened management, would prevent a repetition of the exchange débâcle of last year."

Brading Shareholders Exchange Common Stock

From Our Own Correspondent

MONTREAL.—Shareholders of Brading Breweries have, for the most part, exchanged their holdings for those of the newly formed Brewing Corporation of Ontario and it is understood that the merger of the companies which comprise the corporation is continuing with expedition. Brewing Corporation at present includes Brading, British American Brewing, Kuntz Brewery and Taylor & Bate. Though it is expected that other companies may be embodied in the new organization at a later date, there has not yet been any intimation of further acquisitions.

Brading shareholders received one preference and two shares of class B stock of Brewing Corporation for one share of common. The new preference shares are entitled to an annual dividend of $2.50 a share. A dividend of $2 a share was formerly paid on Brading common, thus shareholders are receiving a higher dividend and a larger equity in the new company.

A holder of Brading preferred was able to take advantage of the offer through the conversion privilege attached to his stock; Brading preferred is convertible into three shares of Brading common. If this privilege is exercised, a Brading preferred shareholder is able to exchange his converted stock into three preference and six common shares of Brewing Corporation of Ontario.

Wheat exports for the week ended April 25, reached the highest point in 1930 and amounted to 5,608,000 bushels according to the Dominion Bureau of Statistics record, which shows that wheat stocks in store in Canada declined from 188,499,000 bushels a week ago to 182,891,000 bushels as at April 25. This compares with wheat in store of 169,543,000 bushels, the same week a year ago.

Urge Mineral Investigation

At a joint meeting of the Mining Bureau, Winnipeg Board of Trade and the Manitoba branch of the Insitute of Mining and Metallurgy, Theodore Kipp urged that an investigation be made of the industrial possibilities of pegmatite rock deposits near the Winnipeg River and south-eastern Manitoba.

Bank Chat

H. R. DOVE has been appointed manager of the Fraser ave.-Marine Drive branch of the Royal Bank at Vancouver.

A. J. HOLLYER, for the past 17 years manager for the Bank of Montreal at Sydney, N.S., will conclude 48 years of banking service with his retirement on pension on June 1. Mr. Hollyer entered the service of the bank in London, Eng., in 1882 and has seen service in Toronto, Vancouver, New Westminster, B.C., Almonte, Ont., and Sydney, N.S. He will spend the summer in England and next winter in Barbadoes, B..W.I.

W. G. NICHOL, formerly accountant at Olds, Alta., for the Bank of Montreal, has been appointed manager of the Frobisher, Sask., branch to succeed **F. PULLINGER**, who has taken over the management of the Chipman, Alta., branch.

ESTEN FLETCHER, manager of the Edmonton branch of the Bank of Toronto for nearly 8 years, has been appointed manager of the new Portage and Main branch in Winnipeg, to be opened early in May.

S. C. COOK is manager of the new branch of The Dominion Bank opened at Spadina Ave. and Adelaide St., Toronto, on May 1.

The **BANK OF NOVA SCOTIA** has opened a new branch at Crystal Springs, Sask. **H. H. HILL**, formerly accountant at Prince Albert is acting manager.

A. L. PUTNAM has been appointed manager for the Royal Bank at New Westminster to succeed **E. MCLEAN.**

The Davidson, Sask., branch of the **ROYAL BANK** and the Arcola, Sask., branch of the **BANK OF MONTREAL** have been closed under a reciprocal arrangement which leaves only one branch in each town. **W. BOYNTON-COFFEY**, manager for the Royal Bank in Davidson assumes management of the branch at Arcola.

W. A. STEWART, manager of the Bank of Toronto branch at Yorkton, Sask., has been appointed manager of the Edmonton, Alta., branch, to succeed Esten Fletcher, who goes to Winnipeg. Mr. Stewart's successor at Yorkton has not as yet been appointed.

RALPH S. GATES, has assumed duties of management at the Dartmouth, N.S. branch of the Royal Bank, succeeding **J. W. DOUGLAS**, who has been transferred to Bridgewater, N.S.

R. Y. BUGLASS, manager for the Canadian Bank of Commerce at Brockville, Ont., for over 5 years, has been appointed manager of the Beaverton, Ont., branch and will be succeeded at Brockville by **J. C. HUTCHISON**, who has been manager of the Parkdale, Toronto, branch.

The **BANK OF MONTREAL** will build a two-story building to cost between $600,000 and $700,000 in Calgary at Eighth Ave. and First St.

Weekly Bank Clearings

Bank clearings reported for the week ended May 1, 1930, while remaining below figures for the corresponding week of 1929, show a sharp increase over previous weeks in April. Gains are prominent from coast to coast although returns are not available from Vancouver, New Westminster or Victoria. Sarnia and Prince Albert are the only clearing houses not showing a gain over the previous week while Montreal shows a gain of some 60 per cent, Toronto, 43 per cent and Winnipeg, 14 per cent.

Figures are as follows:

Eastern Cities	May 4, 1929	May 1, 1930
Halifax	$ 3,973,060	$ 3,427,441
Saint John	2,931,573	2,865,101
Sherbrooke	1,161,117	855,309
Quebec	7,041,009	6,553,881
Montreal	166,013,034	151,023,535
Ottawa	8,414,932	7,155,140
Kingston	903,856	793,648
Peterboro'	1,027,193	986,935
Toronto	165,389,456	124,945,408
Hamilton	8,136,126	6,453,172
Brantford	1,570,805	1,207,550
Kitchener	1,493,748	1,283,529
London	4,190,934	3,544,626
Windsor	7,737,238	4,848,646
Sarnia	....	575,649
Sudbury	....	1,234,577
	*379,984,081	317,754,147

Western Cities	May 4, 1929	May 1, 1930
Fort William	$ 905,290	$ 694,016
Winnipeg	60,473,206	40,253,787
Brandon	701,491	456,636
Regina	6,614,533	5,819,449
Saskatoon	2,738,302	2,165,507
Moose Jaw	1,325,186	1,129,917
Calgary	13,547,982	8,740,089
Medicine Hat	404,407	211,259
Edmonton	6,681,119	5,866,340
Prince Albert	479,593	42,320
	*93,871,109	*65,379,320
	*473,855,190	383,133,467

*Incomplete returns.

Monthly Bank Clearings

(As compared with same month last year)

Eastern Cities	April, 1929	April, 1930
Halifax	$ 17,014,471	$ 13,014,471
Saint John	13,960,002	10,934,615
Moncton	4,105,113	4,067,134
Sherbrooke	4,781,627	4,082,598
Quebec	29,557,546	26,758,670
Montreal	613,489,301	572,504,610
Ottawa	35,551,503	31,465,697
Kingston	3,655,776	3,629,040
Peterboro'	4,224,610	3,984,107
Toronto	626,914,833	488,600,404
Hamilton	28,233,208	25,929,401
Brantford	6,476,573	5,092,678
London	15,919,898	14,254,578
Kitchener	5,908,669	5,304,649
Chatham	3,952,391	2,450,751
Sarnia	3,695,321	....
Sudbury	....	5,476,044
Windsor	29,892,479	19,795,740
	1,447,333,321	1,237,325,187

Western Cities	April, 1929	April, 1930
Fort William	$ 4,206,917	$ 3,445,735
Winnipeg	232,585,035	168,480,474
Brandon	2,948,824	2,158,569
Regina	27,174,841	21,600,085
Saskatoon	11,885,709	....
Prince Albert	2,249,792	1,863,520
Moose Jaw	6,046,423	4,578,532
Calgary	61,195,876	34,380,474
Medicine Hat	2,073,265	1,264,725
Lethbridge	2,823,241	1,152,535
New Westminster	4,545,923	....
Vancouver	111,051,987	....
Victoria	12,467,435	....
Edmonton	32,214,353	2,291,429
	513,469,821	281,216,078
Total	1,960,803,142	*1,518,541,265

*Returns incomplete.

Melchers Sales of Gin Show Increase to Date

From Our Own Correspondent

MONTREAL. — Though sales of Melchers Geneva gin are usually constant, and provide the backbone for the company's earning power, it is stated that output of this product during the current year to date has shown an appreciable increase. It has been estimated that profits from the sale of this particular brand is sufficient to take care of the dividends on the class "A" stock of which there are 100,000 shares outstanding. A dividend of $2 a share is paid on this stock annually.

In the fourteen months period ended December 31, 1929, net profits applicable to dividends amounted to $388,258 or the equivalent of $3.77 a share on the "B" stock of which there are 50,000 shares outstanding. A dividend of $1 a share was declared on the class "B" stock in December, 1929, but has not yet been paid.

U.S. BANK POLICY STATED TO CAUSE PRICE DECLINES

Large Nation's Influence on Credits Affects Small Countries

Recent declines in the general price level are largely due to the monetary policy of the United States, according to Professor Gustav Cassel, writing on "The Gold Standard in 1929." This prominent economist states that there is a general price level which is under control of the central banks which can make it rise or fall according to the credit policy adopted. Smaller countries, however, cannot exercise a strong influence and must adjust their currencies to parity with the dollar.

The United States, in turn, he declares, is in a position to employ its credit policies in the influencing of the commodity price level.

Following is a description of the drop in prices contained in the article:

"In Europe the world price level, broadly speaking, has fallen still lower, and appears now to be considerably below the American level. This difference, of course, must be an index of the overvaluation of the dollar. Though it is scarcely possible to determine the causes of this overvaluation with complete certainty it seems at any rate fairly clear that the restriction of American credits to the rest of the world has been a factor of considerable importance.

"The smaller countries, however, cannot exercise any independent influence in this regard. All they can really be expected to do is to see to it that their currencies are maintained on a parity with the dollar. Possibly, however, even such countries may have some slight liberty of action. For example, Sweden could presumably have maintained her gold standard even with a somewhat more liberal credit policy than has been pursued by the Riksbank during the last few months. In any case, however, the liberty of action of the small countries is very limited, and the responsibility for the world peace levels falls mainly on the United States. It is inevitable that the country which seizes a lion's share of the gold resources of the world and also in other respects is striving to play the leading part in the world economy should be saddled with a corresponding responsibility."

BIRD'S-EYE VIEW OF WORLD FINANCE

Brief, Intimate Glances at Trend of Things Economic

Prepared weekly by the Bankers' Bond Company, Toronto

Canada

The stock marts have been quite severely chastised during the past two weeks and prices have attained a level, in most cases, commensurate with probable earnings of the near future. Pessimistic ideas as to the course of events during the current year, should largely be cast to the wild winds of spring for the aftermath of the "break" has made its appearance and is now commencing to give way to the more optimistic feeling of a revival in summer trade. It is therefore felt that the low indices of business returns have been passed for some time and that investments in scrutinized stocks may be made with some measure of assurance for the future.

United States

It is held in some circles that although the first quarter of the current year was not wholly convincing of the apparent recovery in United States business, yet it is expected that the volume of trade in the second quarter this year will expand by more than the normal season amount. The first three months were nevertheless indicative of termination of the recession which set in last summer. In April however, activity appeared to have expanded. During the quarter now begun it is forecasted that commodity prices will show strength and recovery will become more manifest by May or June. The most promising industries at present are chemicals, chain stores, electrical equipment, motion pictures, shipbuilding, tobacco, electric light and power, telephone and telegraph. Others in good condition are, agricultural machinery, machine and office equipment, trade, oil producing, marketing and refining, railroads and rail equipment, steel and iron. Industries which present an indifferent outlook comprise the following—copper, zinc, mail order, meat packing, aircraft, textiles, lumber, sugar and silk. Commodity marts have not fared very well since our last review. In London, copper was quoted below New York prices; cotton was weak, while stocks are moving but slowly; coffee should be helped along by the San Paulo loan; silk and cocao were off; sugar touched the lowest price in 25 years and rubber was barely steady despite the announcement of a tapping holiday for this month.

It is generally conceded that unless there is an improvement in the copper situation reduction in dividends of the American copper producing companies is inevitable. The bigger United States producers average about 10c per pound for their output and with copper at 14c—50% of their profits have vanished. The production figures for the first quarter of 1929 and 1930 are as follows:

	1930 Production	1929	Decrease
Jan.	264,748,000	308,944,000	14%
Feb.	242,398,000	282,770,000	14%
Mar.	254,128,000	327,112,000	22%
	1930 Consumption	1929	Decrease
Jan.	200,580,000	314,378,000	36%
Feb.	182,952,000	297,842,000	38%
Mar.	208,334,000	331,612,000	37%

Consumption levels have receded at a relatively greater proportion than production which accounts for heavy increase in surplus stocks on March 31st, 1930 at 512,000,000 lbs. against 131,000,000 lbs. on same date a year ago.

United Kingdom

A commercial "modus vivendi" between Great Britain and Russia has been signed to operate a full trade treaty. Negotiations are in being which will also deal with the British public and private claims on Russia. By Article IV the provisions of the agreement may, by mutual agreement, extend to the self-governing Dominions by a simple exchange of notes.

The British Rubber Growers Association disclose that at the end of 1929 the total world stocks, inclusive of rubber afloat was 470,000 tons or about seven months average consumption. During the last decade it is reported that the absorption of crude rubber during 1920 amounted to 310,000 tons, of which the United States used 215,000 tons and the rest of the world 95,000. By 1925 the world absorption had increased to 433,000 tons of which 315,000 tons were used in the United States and 120,000 tons in other countries. In 1926 the world absorption was 545,000 tons of which 365,000 tons were used in the United States and 180,000 tons elsewhere. In 1929 the total was 785,000 tons of which 470,000 tons were used in the United States and 315,000 tons elsewhere.

Referring to the question of stabilization, Prof. Gregory of the London University remarks the following on the incalculable movements of commodities should central banks guide price levels. "It must be emphasized that the stabilization of the general wholesale price level, as measured by the index number, does not mean that individual prices are stabilized. In fact, Central Bank action taken to enforce stability may accentuate rather than restrict undesirable price movements. Thus, supposing the average price-level were rising at a rate calling for remedial measures by the Central Bank, it might well be that at the same time a minority of individual prices were falling, and in this case the Central Bank action to lower all prices would simply accelerate the fall in general, but it is impossible on "a priori" grounds to say how particular prices will behave under the pressure.

"'Articles which remained steady in price, while others were rising, will then fall, while articles which were already falling will fall still more. Articles, the supply of which cannot be altered rapidly, or the demand for which does not respond easily to a fall in price, will suffer in comparison with articles the supply of which alters rapidly as the price falls, or the demand for which increases rapidly as the price declines. An area dependent on such an article may therefore be hit badly on grounds of policy initiated because of a general situation with which it may not in the least be concerned."

General

Report on conditions of the winter wheat crop in Europe continues to be favorable and estimates hitherto provided tend to the belief that it will be similar to last year.

The question of an international loan to Austria is being revived with the idea of aiding the depressed industrial conditions patent. It is hoped that foreign capital will be tempted to invest in building of dwelling houses of which there is a great shortage. Industrial conditions though poor, are probably no worse than in neighboring states. There is apparently some scarcity of capital for new developments although normal expansions in reproductive industries are being financed out of current income.

Total gold holdings of 44 countries at the end of last year amounted to $10,291,000,000 showing an increase of $280,000,000 during 1928. The estimated output of world's gold mines was about $405,000,000. India absorbed for decorative and hoarding purposes about $70,000,000 while the Industrial consumption of the United States is placed roughly at $35,000,000. Among the important changes in the central gold holdings in 1929, was France's increase of $380,000,000 and United States $154,000,000. Russia, Belgium, Switzerland, Poland, Italy, Roumania and Holland also increased their holdings. Decrease of $173,000,000 was evinced by Argentine, $106,000,000 by Germany and lesser decline in holdings is visible in United Kingdom, Canada, Australia, Java and Hungary. Figuring the gold stocks in relation to the population, France leads the world with 1025 francs per capita, the United States 926, United Kingdom 392, Germany 217 and Italy 128.

Is General Motors Really Undervalued?

You may secure this valuable, impartial analysis by writing for a free "get acquainted" copy of May 14, Financial World. For 27 years, our unbiased security analyses and recommendations have been helping investors to invest more profitably. Other features in May 14 issue are:

An Attractive Low Priced Chemical Stock
The Oil Situation
A RAPIDLY EXPANDING COMPANY WHOSE STOCK UNDER $30.00 APPEARS QUITE ATTRACTIVE
Prospective Utility Mergers
Is Gold Dust a Bargain?

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The Financial World
America's Investment Weekly
LOUIS GUENTHER, Publisher
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53 Park Place New York, N.Y.

BONDHOLDERS OF ALGOMA CENTRAL STILL TO CONVENE

Lake Superior Under No Obligation to Extend Time

From Our Own Correspondent

MONTREAL.—Meeting of the Algoma Central Railway bondholders required for confirmation of the agreement entered into between their committee and the Lake Superior Corporation in August last has not yet been called. It is understood that Lake Superior Corporation is not, under its agreement, obliged to extend the term of the holding of this meeting, although it may do so, should its directors see fit. No decision so far has been reached in this connection, pending the arrival of Sir Alexander Roger, chairman of the bondholders' committee, who is expected in New York shortly.

It is anticipated that during Sir Alexander's visit the question of the settlement will be the subject of further discussions between the parties in interest. It would not be surprising if these negotiations should result in a final settlement, taking perhaps a different form, with a view to simplifying the procedure but preserving as between the same parties, substantially the same equities. At the moment there is no reason to believe that the bondholders will not, if given an opportunity, concur in the terms approved by their London committee.

Agreement to Ratify

The meeting in question was to be called in order to have the bondholders approve of the agreement entered into between their representatives and the Lake Superior Corporation in respect to the settlement of the latter company's liabilities on its guarantee of the Algoma Central and Hudson Bay Railway Company and Algoma Central Terminals Limited bonds and the release of the corporation from all liability in respect thereof, in consideration of the transfer to the railway and terminal bondholders of 40 per cent of the share capital of the Algoma Steel Corporation and 40 per cent of that part of the common stock of the Algoma Eastern Railway Company which is owned by the Lake Superior Corporation.

Upon approval of this agreement by the interested parties and prior to the transfer, it is intended to convert the whole of the existing preference and common shares of the Algoma Steel Corporation into common shares of no par value, of which 40 per cent will be allocated to the railway and terminal bondholders and 60 per cent to be retained by Lake Superior Corporation.

Superior Changes Capital

On October 2 last, shareholders of Lake Superior Corporation ratified the plan as agreed to with the railway and terminal bondholders' committee. At the same time, the shareholders voted to change the 400,000 shares of $100 par value common stock to a similar number of no par value, and at the same time to increase the authorized share capital from 400,000 to 800,000 shares. Toward the end of November the new shares exchanged for the old issue, were listed on the various exchanges.

DOMINION LINENS' DEFICIT INCREASED

Debit Balance of Impairment Account Double That of Previous Year

Dominion Linens Limited annual report for 1929 shows a deficit on the year's operations of $36,838, which is $25,463 more than the 1928 operation's loss and brings the total debit balance carried forward to 1930 to $69,434, or more than double the debit carried forward from 1928.

This deficit is made up of a loss for the year of $28,820, as against $12,569 in 1928, and other smaller items including additional sales tax claims, and operations re-adjustment.

The balance sheet shows a working capital of $95,829 which is $80,753 less than that of a year ago. Total assets are shown at $807,826 as against $788,617 in 1928. The increase is due to the item of balance due from its subsidiary, Flax Spinners Limited, which amounts to $38,688 and did not appear in 1928. Value of land, building plant, etc., has been increased by $3,512, while other fixed assets are the same as a year ago.

The subsidiary, Flax Spinners Limited, has an excess of current liabilities over current assets of $41,447 due to the fact that its only current asset is $91 in the bank while it owes Dominion Linens the $38,688 carried as an asset by the parent company. Other current liabilities include accounts payable, $99, and accrued interest on bonds, $2,747.

Following is the impairment account of Dominion Linens:

IMPAIRMENT ACCOUNT
Years Ending Dec. 31

	1929	1928
Net loss for year	$28,820	$12,569
Less: Res. in excess for deprec. of samples	1,504	......
Profit on sale of house	1,480	......
Res. for completion of sales agreements	....	1,194
	$25,836	$11,375
Add: Addit. sales tax claim	4,561	......
Sales tax adjust.	2,822	......
Adjust. stock inventory	2,984	......
Tilsonburg expenses	259	......
Sundry adjustments	376	......
	$36,838	$11,375
Prev. debit bal.	32,596	21,221
Debit bal. carr. for'd	$69,434	$32,596

$2,000,000 Seamless Mill Building by Page-Hersey

Since the ratepayers of Crowland township have granted Page-Hersey Tubes a fixed assessment of $285,000 for their large plants at that point, including the proposed $2,000,000 seamless steel tube mill, work on the latter will commence actively this season. This will add greatly to the force of permanent workers already employed at this point and will be completed in time, it is believed, to make a real impression on 1931 earnings of the company.

The steady increase in drilling activities all over Canada both for oil and natural gas offers a prospect for improving business in seamless tubes for the company if tariff protection is afforded.

FOUNDATION CO.'S VOLUME OF WORK HOLDING UP WELL

Maritime Organization Gets Contract for New Hotel

From Our Own Correspondent

MONTREAL.—Contract for the super-structure of the new Canadian National Railways hotel of Charlottetown, P. E. I., has been awarded to the Foundation Maritime, Limited. The foundation work on the hotel has been completed and the steel work erected. The hotel when completed will have 110 bedrooms, with the necessary public rooms.

Foundation Maritime is a subsidiary of the Foundation Company of Canada. The parent organization has been especially active over the past few years in constructing many notable buildings and plants throughout Canada. Within the last few months, the company completed the new plant for the Canadian Marconi Company, at Montreal, and also finished up the work on the Ghost power plant of the Calgary Power Company, on the Bow River, West of Calgary.

Work on Hand

At the present time, the company is working on the new Aldred Building in Montreal, and is undertaking the installation of newsprint machines at the new plant of the James MacLaren Company at Buckingham, P. Q. In addition, the company is doing some extra work on the new wing of the Chateau Laurier, another job completed by the company last year.

Other work in progress by Foundation Company, includes the Canadian National Railways Hotel at Halifax and the dredging for the breakwater and holding ground of the New Brunswick International Paper Company at Dalhousie

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—Senator GIDEON ROBERTSON
at the 1929 convention of the Canadian Chamber of Commerce, on "Canada's Economic Partnership".

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THE BANK OF TORONTO
INCORPORATED 1855 HARVEY B. HENWOOD, General Manager

Canadian Mining News

NORSEMAN PLANS SUMMER DRILLING PRIOR TO SMELTER

Results to Decide Whether 1,000 or 2,500 Ton Mill is Erected

PYRITES IMPORTANT

Location at Tidewater Makes Sure Market For Sulphur; Ore Reserves Exceed 12,000,000 Tons

Interests connected with Norseman Corp. report that that company now has ore reserves on its Newfoundland properties estimated at from twelve to fifteen million tons, which puts it in a class that permits of comparison with Hudson Bay Mining & Smelting Co., and which from the tonnage standpoint alone places it far ahead of Noranda. In development work to the 480 foot level 10,000,000 tons of 2½ per cent ore are reported along with several million tons of 2 per cent ore.

Estimates by engineers have been prepared for mills of three different capacities, and this coming summer an etxensive diamond drilling campaign will be prosecuted with the object of deciding whether the initial erection will be a 1,000-ton mill or a 2,500-ton mill.

Can Market Pyrites Profitably

Toronto interests initiated this enterprise, which, however, has grown until English, Swedish, Norwegian and American capital is involved and many important mining and chemical companies have become interested. The ores are simple copper pyritic ores, free from zinc or other complexities and therefore susceptible of easy milling. The owners of the property have been greatly encouraged by the fact that large chemical and pulp and paper concerns have assured them that their full capacity in pyrites would find a market. Being situated on tide-water these pyrites assume an importance in these mines which otherwise they could not possess. Water transportation is so much cheaper than rail that the pyrites are a valuable asset, where in Northern Ontario or Manitoba the cost of transportation would eat up all the profit except for short hauls.

With 100,000 acres of total holdings, one block alone comprising 50 square miles, the company has interesting possibilities from further exploration. It has undeveloped horsepower estimated at 100,000 horsepower, but gets its present needs from the International Power Co. It is already convinced that three properties have possibilities of great production while others are interesting and deserve further investigation. With a 2,500 ton mill it is estimated that a daily production of 600 tons brimstone will be secured, and at $50 a ton for sulphur this assumes importance in addition to the copper obtained.

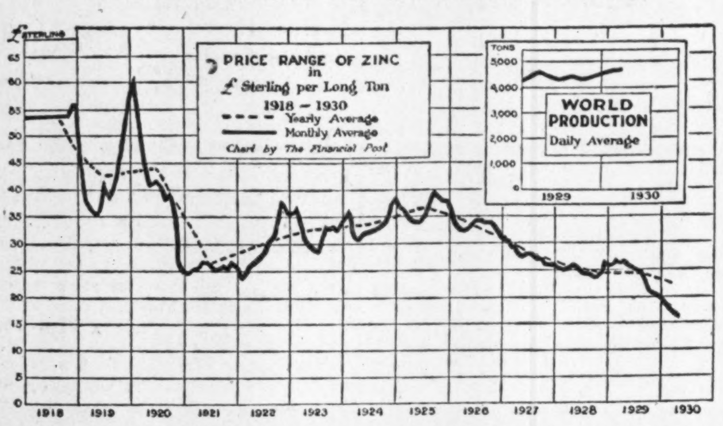
Hitherto all expenses have been paid privately, but sooner or later it is expected that shares will be offered by a New York house. It is an open secret that only the stock market crash last year prevented one house buying out a block of 200,000 shares to sell at $6 a share to its clients.

The head office is now in Toronto with E. E. Campbell as president, and Mackenzie Williams as treasurer and director. Hamlin B. Hatch, of St. Johns, Newfoundland, is vice-president.

Try Smelters Phosphate

Several farms in the Nanton district of Alberta representing different types of soil are conducting field experiments this year with the super-phosphates of the Trail Smelter, special planting drills being used and the phosphates furnished free.

How Zinc Prices Have Declined Steadily



Production of zinc merely as a by-product for other metals, principally lead and copper, has steadily increased the supply regardless of the world-demand, with the result that there has been a steady reduction in prices since the war. The outlook for higher prices is not bright unless the uses for zinc are developed. Production of zinc except as a by-product cannot be profitable under present conditions. Noranda does not bother to extract the zinc content in its ore.

Supply Above Demand, Zinc's Future Gloomy Until New Use Found

Production Except as By-product is Not Profitable

UNSOLD STOCKS GROW

Market Flooded as Lead and Copper Mines Develop; Smelters Has Twentieth of World Output

Zinc is probably in the weakest position of any base metal.

With London, the international market for zinc, quoting the equivalent of 3½c per pound for spot zinc, producers see no sign of stabilization and are looking to the future with diffidence. Zinc prices are lower than the yearly average for the past 34 years, and it is apparent that zinc is suffering from more than a passing malady, with previous restoratives now proving ineffective.

Zinc, formerly recovered for its value alone, has, of recent years been produced largely as a by-product of more profitable metals. The introduction of flotation concentration has given a stimulus to the production of copper and lead, which has permitted the recovery of zinc, largely incidental to the recovery of these other metals. This has introduced a zinc production that the market has not been able to absorb and so long as this incidental production is profitable, increasing unsold stocks and lower prices may be expected.

Thrown on Market

It is this production that today is largely responsible for the depression of zinc prices and, being a by-product, it is sold for what the market offers.

Consolidated Mining & Smelting Co. states that its metal stocks are low, so it is evident it does not choose to store its zinc, a position it is, financially, quite able to take. Anaconda, some weeks ago, advised its customs zinc shippers that it would smelt and refine customs ore, but that settlement could not be made until the productions were sold.

Casual observers prefer to think that zinc prices are in the throes of a periodic recession and that the true perspective must be taken over a term of years which this present market will not seriously affect. There is evidence, however, of a fundamental economic factor making itself felt in the present market—a factor which will have a lasting effect on the zinc industry.

Pressure of world production and lack of normal demand have been sufficient to cause producers to abandon the cartel which was in existence until the latter part of 1929. Subsequent attempts for re-organizing this cartel have not been successful, and the obvious failure of all price stabilization programmes indicate zinc to be in the weakest position of all base metals.

Production during past months has steadily increased and stocks have accumulated at an alarming rate, as shown in the chart printed elsewhere. Co-incident with this condition has been the steady decline in price and it is evident that the law of supply and demand is a prime factor in the situation. Slag piles at older smelting operations would reveal a zinc content, in some cases as high as 10 per cent, most of which is now recovered in modern metallurgical operations.

Consolidated Mining & Smelting Co., the largest zinc producer in Canada (producing approximately 5 per cent of the world's supply) encounters this zinc in the lead ore from its Sullivan mine. This production probably would not be taken at the present time were it not associated with lead. Operations at the Base Metal Mining Corporation produce lead and zinc from a remarkably clean ore, but here again the zinc must be removed and because incidental to lead, the more important metal, it is sold at the market, for what it will bring.

Noranda Throws it Away

Several relatively small complex base metal producers in Ontario will, before the end of the year, be producing zinc concentrates as by-products of other metal production. Noranda on the other hand, has found it expedient to ignore the zinc content of its ores, allowing it to go into the slag and confine its operations to the ore bodies of the lowest zinc content, a policy that is apparently sound in the face of the present zinc prices.

The much-discussed zinc refinery for Eastern Canada does not appear to be an economical, sound venture, in the face of present conditions. Such a plant is costly to build; much more so than a copper refinery, and should have a continuous potential supply to warrant its construction.

Aside from the Treadwell-Yukon Co., which has under consideration a zinc refinery of its own, there are no large or important potential producers of zinc in Eastern Canada that could be depended on as a constant source of supply, and until such a tonnage is in sight, a zinc refinery does not appear pressing or economically sound.

Increases in zinc consumption closely parallel other metals, partially on account of its being an essential element in alloys such as brass, which is composed of copper and zinc. Zinc will probably not share in any future price advances to the same extent as lead and copper since increased production in these metals will find a coincident increase in zinc as a by-product—a production which is not comparable with consumption.

The future, however black as it seems at the present time, is not beyond hope of correction. The zinc situation today is not unlike the nickel situation at the close of the Great War. The use of nickel at that time was restricted to a few applications, and the International Nickel Co., realizing that if it was to find a market for its product, new uses would have to be found. During the past ten years its research department has so expanded the uses of nickel that it enjoys the greatest production in its history. Likewise, zinc must turn to its research department and further expand its uses. One important use is in combating iron rust through galvanizing iron and steel products and application in this direction offers countless opportunities for prolonging and preserving these products, which form the foundation of our present day existence.

New Ore Found In Sullivan Mine

From Our Own Correspondent

VANCOUVER.—The life of the famous Sullivan mine at Kimberley has been extended indefinitely as a result of the discovery of a vast ore body 1,000 feet below the lowest working tunnel, which is at the 3,900-foot level.

Announcement of this discovery, made by vertical diamond drills, is made by J. J. Warren, president of Consolidated Mining & Smelting Company, owner and operator of the Sullivan mine, greatest of its kind in the world.

Owing to the dip of the vein it is believed that the ore will extend at least another 1,000 feet below the present working level.

Mr. Warren also announces that the company's $8,000,000 mineral fertilizer plant, being established at Trail, will be ready for operation next year.

Drill at Abana Reported to Have Cut New Ore Body

Officials of Abana Mines Ltd., report that diamond drilling has encountered a mineralized width corresponding to No. 2 ore body at 800 ft. elevation below section east of the main crosscut.

It is stated that the zone is about 35 feet in width and consists of 9 feet of copper ore and 27 feet of zinc ore with some copper. The diamond drill then passed through 26 feet of schist and cut one foot of massive high grade zinc ore and 8 feet of schist and massive pyrite.

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Your Mining Stocks; Their Present Status

San Antonio
Central Patricia

Canadian Mines from A to Z in Crisp Weekly Reviews

What are the most promising mining stocks? Which ones are unattractive? The purpose of this series of analyses is to enable the investor to appraise his present holdings and to choose the most promising stocks to add to his list.

The Financial Post proposes to summarize the present position of every listed mining stock in Canada. The stocks chosen will be those quoted weekly in the table of mining stock quotations published in The Financial Post. Others will follow week by week until the entire list has been discussed.

In this series of articles no attempt will be made to publish other than facts and opinions based on those facts. The purpose of the series is not to arouse false hopes nor to create dissatisfaction with any stocks but frankly to analyze the present position of each stock and each mine.

SAN ANTONIO

Shares in San Antonio Mines, Limited, present one of the more attractive investments of the Canadian gold prospects now under development. For investors who seek speculations in prospects of potential merit, asking only that their money be expended in sincere effort to make a mine, shares in this company should be attractive.

The company's property is located at Rice Lake, in Manitoba, about 50 miles north of Great Falls on the C.P.R.

The organizers of the company carried out development work until early in 1930, when an interruption of financial arrangements forced a suspension of operations. Bobjo Mines Ltd., then acquired working control, furnished the necessary finances and resumed active development.

Late in 1929, John Reid, consulting engineer and geologist made a favorable report on the property, with recommendations for further development.

The No. 2 shaft was recently completed to the 975 foot level. On the 725 foot level two veins, encountered in the 600 foot level, have been developed for a total distance of approximately 400 feet with an average width of 3.8 feet, assaying $12.94 in gold per ton. The crosscut on the 975 foot level, started in April, 1930, to intersect the downward extension of the ore shoots encountered on the upper levels, is planned to reach its objective next month, when further knowledge of the extent of these ore shoots will be available.

The company has an authorized capitalization of 4,000,000 shares of no par value of which 2,650,000 shares are issued. These shares sold as high as 57 cents during 1927 and at the present market price of 22 cents per share, offers attractions for investments of this nature.

The company's operations are directed by experienced mining men who have the reputation of being economical, capable, and who will give the property an expedient and thorough examination.

CENTRAL PATRICIA

Central Patricia Mines Limited, situated in the Crow River-Pickel Lake camp, District of Patricia, is regarded as one of the most interesting gold finds in recent years and if underground development measures up to the results secured in surface sampling and diamond drilling, another important gold producer, would appear assured.

According to official reports the sampling of surface trenches resulted in securing an average value of $12.57 gold across an average width of 17.45 feet for a length of 557 feet. Some 28 diamond drill holes were put down at 100-foot intervals along a 500-ft. section of the vein system, and while some of them proved "duds," the average of the diamond drill holes at the 250 foot horizon, was reported $15.27 over a width of 6.83 feet for a length of 680 feet.

A steam mining plant was taken into the property last winter, from Savant Lake Station on the Canadian National Cochrane-Winnipeg line, a distance of 110 miles. The shaft is now down some 300 feet and the intention is to sink to 525 feet and establish levels at 125 foot intervals from surface. It is expected the shaft will be bottomed and the vein reached on the 500 level about the middle of next July, less than two years since the property was first discovered by the Mosher brothers.

Central Patricia has a capitalization of 4,000,000 shares of $1 par value of which some 3,600,000 shares are outstanding. Last December the company offered shareholders 600,000 shares of treasury stock at 25 cents per share on the basis of one new share for five old held. All the shareholders did not avail themselves of the offer however, and the directors took up all shares thus made available. Officials of the company reported that on completion of financing, $290,000 would be available for equipping and developing the property.

Central Patricia may be considered a hopeful prospect with good possibilities of developing into a profitable mine.

BROWNLEE

Brownlee Gold Mines Limited's property comprises 400 acres located in Rouyn township, immediately to the north of the Noranda and west of the Quemont. The property is considered an interesting geological bet with structure similar to that of its better known neighbor, but although the property was staked in the early days of the Rouyn camp little progress has been made with development work, and this has met with but indifferent results. Some showings of high grade copper-zinc are reported to have been uncovered in surface exploration, and a narrow band of chalcopyrite cut at a depth of 150 feet in diamond drilling. Picking up of what is believed to be the northern extension of Noranda's diabase dyke on the Quemont property may have an important bearing on Brownlee's future, however, in the event of it being found to extend to that property. In the meantime the stock can only be considered an out and out gamble.

The company has a capitalization of 3,000,000 shares of no par value, fully paid up, and there is little trading in them, the last shares changing hands at 8 cents per share.

CANADIAN KIRKLAND

Canadian Kirkland Mines is an interesting prospect situated about one and a half miles southwest of the Town of Kirkland Lake on the main highway leading to Swastika Junction on the T. & N. O. Railway. The company's holdings comprise 224 acres owned outright.

The property was operated a number of years ago by the Canadian Kirkland Gold Mines, and acquired by the present company toward the end of 1927. In a report covering operations from June, 1928, to September, 1929, President George Tough reported large outcrops of porphyry were encountered in the north section of the property and that trenching disclosed a strong break averaging 40 feet in width and carrying several gold-bearing veins, the vein material being crushed porphyry and quartz, which is the vein filling that has yielded most of the gold of Kirkland Lake. More than 2,600 feet of trenching was done along this break, and it was also diamond drilled, establishing its length on the property for approximately 2,500 feet. One ore shoot containing visible gold in quartz veinlets was located at a contact between the porphyry and conglomerate, and values of $13.50 were reported secured across a width of five feet at the bottom of a ten foot test pit.

A second showing of ore was located 400 feet east of the first, and entirely in the porphyry. Average values were reported higher and the width somewhat less than those of the first showing. A shaft was sunk to a depth of over 125 feet on this and the vein intersected at depths of 65 and 125 feet. Quite good values were reported to have been secured in this work. Over 6,000 feet of diamond drilling was done along the north break and its downward extension and the existence of gold-bearing veins at a depth of 800 feet, the lowest horizon to which the drilling was carried, was established.

Operations were stopped last November owing to lack of funds, and an effort is now being made to refinance by offering new shares direct to interested shareholders at a figure designed to attract. It is hoped to secure sufficient funds to permit of the renewing of work within the next few weeks.

The company has a capitalization of 3,000,000 shares of $1 par value of which 1,871,106, including 1,500,000 issued for the properties were reported outstanding as of Dec. 31, 1929.

E. W. Todd, consulting geologist, reporting on the property, stated the structural conditions provided a favorable situation as regards the possible occurrence of ore bodies, which coupled with the existence of shoots of ore already discovered, justified sinking operations and exploration underground.

While Canadian Kirkland can only be regarded as a mining gamble, its location and geology lend it considerable attraction as such.

Kootenay-Florence Lacks Cash to Proceed

Kootenay Florence Mining Co. has been forced to suspend operations due to the assignment made by Stobie, Forlong & Co., which had been advancing it money for development work.

According to the company's annual report it owns its properties outright, has 355,492 shares in the treasury and liabilities of $39,991 of which $35,250 represent cash advances from Stobie, Forlong.

Directors are of the opinion that the results of development justify the commencement of production and milling operations at the earliest possible date if plans can be made to raise sufficient funds.

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In case of accident, traffic officers or police will immediately call for your license card. Be sure you have it with you whenever you sit behind the wheel. It is *prima facie* evidence that you are qualified to operate a car. Its absence will render you liable to a fine and also may be interpreted to mean that you are not a *competent* driver! Do not lay yourself open to inconvenience and needless blame.

Application forms for new or renewal licenses may be secured from the Department of Public Highways, Motor Vehicles Branch, from any of the Department's Agents throughout the Province, or from any Licensed Garage. If you seek a renewal, have your license card of 1929 with you. If you have lost it, a duplicate will be issued by the Department on payment of 50 cents.

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Applicants for new licenses must undergo examination which the issuer will arrange. The fee for an examination is $1.00.

Carefully preserve your License. Have it in your pocket every time you drive. Produce it whenever called upon by an officer of the law. Do not allow anyone who does not possess a Chauffeur or Operator's License to drive your car.

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TORONTO

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STOBIE, FORLONG CREDITORS RANK AS OF JANUARY 30

New Debenture Reorganization Plans Take No Account of Latest Market Movements

TIME WILL HELP

Under Present Unsatisfactory Market Conditions Large Part of Assets Not Readily Convertible

The position of creditors of Stobie, Forlong & Co., which went into voluntary bankruptcy last January, is established as of January 30. A certain confusion of mind and conflict of opinion on this point has been made evident by many former clients in letters written to The Financial Post, seeking elucidation, but the trustee, N. L. Martin, says that in all cases January 30 is the determining date.

In cases where securities held on January 30 have depreciated in value, this does not affect the claim of the client who held a credit balance on January 30. As the client was not permitted to sell the securities or take them up at that time, the trustee cannot reasonably reduce the claim of the creditor against the firm; but, on the other hand, he does not recognize a greater claim on the part of the client whose securities have appreciated since January 30.

Is Not Demand

Letters written on behalf of the trustee to people whose securities had fallen in market value, inviting them to take up their securities or be closed out if they wish, has been interpreted in some cases as a demand. Naturally, these people have taken the ground that, as they were not allowed to take up the stock on January 30 or order it sold, their position as creditor should not be impaired. The trustee, having the matter brought to his attention, stated that a few letters had gone out with a faulty wording which was not discovered until too late. There were many people whose stocks had depreciated so far as market value was concerned but who yet desired to take up their stocks. The opportunity had been given them, and had been extended to everybody who was in the same position. It was not intended as a demand, though some letters sent out unfortunately bore that construction.

One man writes to The Financial Post that he had a credit balance of $60 on January 30, and this would now be a liability of $10 as a result of declines if he is forced to close out his account. It would appear from the trustee's statement that he will not have to take up his stock which would cost him more than the present market value.

Another man writes the trustee, pointing out that he had bought his securities at high points in the market, that he had put up thousands of dolars in margins as prices dropped and had been prepared to back them to the very limit even to purchasing them outright at the time of the voluntary assignment. This he was not allowed to do, but since then his judgment has been justified by the fact that the market values have risen some thousands of dollars on his total holdings. He naturally thinks that there never should have been an assignment and that in any case as a creditor he should have the benefit of the appreciation in value of his stocks. He would like to take up his stock.

"We cannot make one rule for one class of creditors and another for another," said Mr. Martin. "We will have to take the situation as of January 30 for everybody."

Who Owns This Stock?

One man tells that he ordered his bank to sell 300 shares of a well-known stock through Stobie, Forlong & Co., that the latter firm informed the bank the stock had been sold at 70 cents a share but before delivery could be made the firm had assigned. The stock has since gone up many points on the market, the bank refuses to give up the stock to the owner because it had been advised of a sale but has not delivered it to Stobie, Forlong because money is not yet forthcoming. The man, meantime, has neither his money nor his stock.

"What would you do in such a case?" Mr. Martin was asked.

"Stobie, Forlong & Co. would certainly take up the stock in such a case," he replied. "If it has not been taken up already, it has been through an oversight or some technicality not mentioned by your subscriber. The seller in the case will have no grievance so long as he gets the money he was willing to sell at except the delay in point of time. It would not take him long to get that matter settled if he desires to draw it to our attention."

"He claims that if the stock had gone the other way, you would not take it up," said The Financial Post representative.

"That is true," said Mr. Martin. "Neither would he."

Another subscriber wants to know whether 400 shares of Noranda held by him on margin with Stobie Forlong would show him a credit balance. His argument is that this stock would be hypothecated with the company's bankers, that the bankers would sell the stock to cover their loan and that the balance should be credited to his account.

What the Bank Does

The fact of the matter, however, is that the bank knows nothing about the clients who own the stock. The broker makes a loan wherewith to sell stocks on margin and he dumps a miscellaneous block of securities as security for the loan. In case of bankruptcy the bank sells simply enough of these stocks to cover its loan and then returns the rest of the securities to the broker or the trustee, where they rank as assets of the company. The banking debt being extinguished, all the stocks thus held have nothing against them in such a case and the client would rank as a creditor according to his equity in the stock on the basis of the market valuation of January 30. The client in this case was afraid he might be held liable for the amount still owing on the stock.

There is also the position of the clients whose accounts showed a liability on stocks held on January 30, but whose stocks have improved in market value and who would be a creditor if market values of today are considered. As they were not allowed to take up their stocks on January 30, many of these contend that they should not be held liable for the amounts opposite their names.

Suggestions made at various meetings of creditors as to a plan for reorganization have been embodied in a new plan to be considered at a meeting of creditors to be held at the Temple Building, Toronto, on May 12 at 2.30 p.m. The voting letters for or against the new proposals are asked for before that date by the trustee. The new proposals are thus set forth by Mr. Martin, the trustee:

"Since the plan of settlement of the affairs of Stobie, Forlong & Co. was sent to the creditors, a variety of suggestions have been made as to alterations in it. These suggestions have been carefully considered by the inspectors and myself. At the request of certain creditors I have also submitted the plan to G. T. Clarkson for his consideration and criticism. He has approved the plan subject to certain recommendations which the debtors have accepted, Messrs. Stobie and Forlong have advised me that to meet the views of their creditors they are prepared to amend the original plan. The amendments proposed are as follows:

"(1) It is proposed that Messrs. Stobie and Forlong shall personally guarantee the debentures. It is necessary that the firm's memberships and connections with the various stock exchanges should be re-established. This cannot be accomplished while the partners are undischarged bankrupts. This is the reason why it was provided in the original arrangement that unsecured creditors should accept the debentures in satisfaction of their claims. The firm assure me that they have every desire and intention to pay their liabilities and are, therefore, willing to guarantee the debentures.

"(2) Objection has been raised to the provision with respect to the $500,000 which the new company must set aside annually for the redemption of debentures. It is pointed out that as the proposal now stands creditors who make the best offers to the company may dispose of their debentures in the earlier years and possibly thereby absorb the whole of the annual appropriations. To meet the situation, it is proposed that out of the minimum amount of $500,000 to be provided annually for retirement of debentures at least $250,000 per annum shall be distributed rateably among all creditors and that the balance may be employed in buying debentures on the open market at less than par but only with the approval of five of the seven directors and the trustee, as in the interests of creditors generally.

"(3) It is also proposed to make the capital stock of the new company 125,000 shares, allotting one share of stock for each $50 debenture (instead of each $100 debenture as previously provided), allotting 20 per cent of the shares to Stobie. Forlong & Co., and allotting the remainder to the directors in trust so that they can be used in any way the directors think wise for the advantage of the company. The shares allotted to Stobie, Forlong & Co., will, of course, as already proposed still be held by the trustee until all the debentures are paid.

To Examine Partners

"As has already been stated, the difficulty in this estate lies in the fact that a large portion of the assets is not readily convertible into cash under present unsatisfactory market conditions. The whole situation may be summed up by saying that those in a position to know are of the opinion that the assets can be realized to better advantage by the proposed new company, with all its statutory powers, than by a trustee in bankruptcy, limited as he is by the provisions of the bankruptcy act.

"Further, in answer to enquiries, it is announced that Stobie and Forlong are being examined upon oath in the bankruptcy proceedings in the Supreme Court of Ontario in regard to their personal affairs."

N.Y. House Buys Stobie's Nordon

Block Overhanging Market is Absorbed and Further Expansion Planned

Two hundred thousand shares of Nordon Corp., which have been overhanging the Canadian market ever since the firm of Stobie, Forlong & Co. went into bankruptcy, have been absorbed by a New York firm which has also been quietly buying shares which have been held outside the brokerage house. This is the explanation of the upward course of this stock in recent weeks from around 80 to $1.25 before the reaction from so steep a rise to $1.06 a share.

The New York house, whose name is withheld at the moment, has also absorbed a considerable block of treasury shares, and as a result the business of the corporation will be pushed more vigorously than for months. Los Angeles and San Francisco interests are reported to be absorbing stock as well and the present group of technical oil experts is being added to.

The company holds millions of acres of oil leases in California, Oklahoma, Texas, Kansas, New Mexico and other oil producing areas in the United States. Though large acreages of well selected properties are taken by the experts in wildcat territory the company makes it a policy to have royalties on producing territory to assure an income until the other properties selected become productive. Its leases, as a rule, are drilled by operating companies of experience, it being the policy of Nordon Corp. to make such arrangements and thus to reduce its own risk. Its officers are continually watching the progress of drilling and production in order to select territory as soon as possible in likely districts and drop other leases as soon as possible when its officers believe later information warrants pessimism.

An announcement by Glen M. Ruby, president, from Vancouver, B.C., states that for the last five weeks an important group of New York bankers have been examining the company's properties and conditions and have now signified a desire to acquire a substantial interest in the company. To facilitate this, a transfer office will have to be created in New York city and the Central Hanover Bank and Trust company has been selected. The authorized share capital is to be reduced from 5,000,000 shares to 2,500,000 shares, but shareholders are informed that this proposal does not decrease the number of shares which they hold.

The stock will also be changed from no par value to $5 par value, if the shareholders approve at a meeting to be called soon. It is explained that this change is made necessary "in order to reduce the excessive transfer tax charges prevalent on no par value shares in the State of New York." Mr. Ruby says that the officers believe the number of shares remaining in the company's treasury will be adequate for the company's immediate purposes.

Lake Shore Sets New High For Quarterly Gold Output

Production of Lake Shore Gold Mines for the first quarter of 1930 and the third quarter of its fiscal year amounted to $1,745,000, an increase of $315,000 over the previous quarter. The mill treated 123,957 tons of dry ore, so that the average recovery per ton was $14.08. The average tonnage handled per day was 1,377.

Delays in delivery have prevented the installation of further equipment designed to increase Lake Shore's daily capacity to 2,000 tons per day, and it is not likely that this increased tonnage will be handled until the close of the company's fiscal year in June next. It is expected, however, that Lake Shore will be producing at the rate of $12,000,000 yearly in its next fiscal year.

The following quarterly production figures indicate that Lake Shore is steadily increasing production, and treating a higher grade of ore:

Quarterly Production

	Tons milled	Value	Value per ton
1st quarter ended Sept. 30, 1929	108,823	$1,400,000	$12.86
2nd quarter ended Dec. 31, 1929	115,936	$1,430,000	$12.33
3rd quarter ended March 31, 1930	123,957	$1,745,000	$14.08

Great Bear Copper Proves Interesting

"Very spectacular" have been reports of copper finds to the west of Great Bear Lake.

"Very spectacular" also might be the development of these distant deposits if they prove worth working. Dominion Explorers, N.A.M.E. and Gilbert Labine, of Eldorado Mines are in the district already, while Consolidated Smelters and Eastern Mining Co., of Arizona have been active in the field and press despatches from Edmonton forecast a copper rush through Fort McMurray this summer.

Unfortunately, despite the field's great potential possibilities, it must remain highly speculative for some time to come.

The main find which is turning attention to the area was floated over an area 2,000 feet long by 100 feet wide. Samples taken from this analyzed all the way from 30 to 50 per cent copper as they consisted mostly of bornite and chalcocite which contain 62 and 80 per cent copper respectively.

Reports state that efforts to locate the source of the boulders have "been partly successful," but it is admitted that very little is known about the extent of the deposits.

This partial success in the search is all that can conservatively be hoped for in the opinion of experts who point out that ordinarily a find of copper float does not indicate large deposits. It is thought that the discovery is probably the source of the mysterious native copper which Indians bartered 250 years ago, but what would be a large deposit for the Indians then would not prove economically successful to-day.

Only a great increase in the price of copper could warrant production plans at the present as the find is so far from railways.

At present the ore could be carted overland to Fort Norman and thence shipped by boat down the Mackenzie, through Great Slave Lake and down Great Slave River to the rapids at Fort Smith. Steamers and scows carrying between them 1,400 tons can go that far, but beyond that there is nothing until the head of steel is reached at Fort McMurray between two and three hundred miles away.

Hopes of the explorers centre on the possible extension of the railway from Fort McMurray 415 miles to Great Slave Lake to open up the zinc and silver deposits found last fall about Fort Resolution. If the railway does not come up from Fort McMurray there is still the hope that English interests will build a railway from Lake Athabasca to Fort Churchill, the new port on Hudson Bay. As Fort Smith is only 100 miles from Lake Athabasca, steel might be laid from it to the new line.

Even with the railways linking up with the steamers, however, the cost of transportation would be too great under the present copper marketing conditions.

George Gold-Copper Prospects Indefinite

A report of indefinite results was presented to shareholders of George Gold-Copper Mining Co., by W. M. Archibald, vice-president of Consolidated Mining and Smelting.

"During the year diamond drilling was resumed at the end of July from a set-up 350 feet vertically below the horizon on which three per cent copper ore was cut in two holes last season.

"One hole was completed to a depth of 1,095 feet without disclosing values or important mineralization indicating either a mistaken trend in the ore, or too much optimism in its extent in laying out the hole. A second hole was drilled to a depth of 370 feet, but had not reached the point where ore might be expected when operations were again suspended on account of climatic conditions. Until this ore can be traced further down the mountain, any underground operation from a safe location must have a very definite objective."

In the meantime the company has a working capital of $436. Its total liabilities amount to $1,530,700 of which $1,500,000 is capital outstanding and $30,523 advances made by Smelters.

Assets include cash in bank, $430; accounts receivable $183; discount on shares, $681,201, and the balance is made up of property at cost plus cost of development and expenditures.

REEVES-McDONALD WANTS OWN POWER

Would Be Independent of West Kootenay Company

From Our Own Correspondent

VANCOUVER. — Reeves-McDonald Mining Co. has informed the provincial water board that it will not go ahead with its $2,000,000 mining development plan unless it is authorized to go ahead with its own power programme, independent of West Kootenay Power & Light Company.

West Kootenay Power & Light Company is reported ready to develop all the power available on the Pend Oreille River either by one large dam or two or three smaller ones.

The Reeves-McDonald interests question the good faith of the West Kootenay company and believe that it is a move to prevent them from developing the Pend Oreille field in their own way.

Previously the West Kootenay company had undertaken to supply power to Reeves-McDonald at a price to be determined. The mining company, however, wants to be completely independent.

Yankee Girl Needs Cash to Continue Operations

Yankee Girl Consolidated Mines was badly hit by the assignment of Stobie, Forlong & Co. and funds are needed immediately to clear off the mine's debts, complete the purchase of its property and carry on development.

A detailed statement of finances and operations for 1929 just issued by the directors states that "the company has been seriously hampered in its operations by lack of sufficient funds, thus being unable to press work forward as rapidly as desired. Moneys were advanced by Stobie, Forlong & Co. during this period for this purpose to the amount of $173,252." When Stobie, Forlong made an assignment early this year the mine was forced to shut down until arrangements could be made with the trustee to advance more capital.

The balance sheet as at December 31, last, shows a working capital of $1,220 and deferred liabilities of $1,465,393, including balance to accrue for purchase of Enterprise Mine, $16,000, and cash advance from Stobie, Forlong & Co., $163,852.

Smelters Options Claims in Chibougamau Area

Properties optioned by The Consolidated Mining and Smelting Co., since the beginning of the year include the Berrigan group of claims, McKenzie Township, Chibougamau district, Quebec, and the Vernon group of 34 claims, located in Nanaimo Mining Division, Vancouver Island. Showings of copper and zinc sulphides have been found on this property.

Options on the Kinman property, Nimpkish Lake, Vancouver Island, and on the Roger-Barnet property, Catherine Township, Larder Lake District, Ont., have been dropped.

Mining Inquiries

LaRose-Rouyn

Please give me the history and your opinion on La Rose-Rouyn Mines, with their address and the name of the people who are handling the reported new financing.

The head office of La Rose Rouyn Mines is 36 King Street Eeast, Toronto. This company is the successor of the old La Rose Mine. The company is now making an offering to the shareholders of the old La Rose property to exchange shares in La Rose Rouyn. It is proposed to raise finances to assume operations of the old Cobalt property where because of the increase in the price of cobalt, it is believed the mine can be operated at a profit.

For further particulars regarding this offer we would suggest you write J. Warwick, c/o General Securities Corporation, 100 Adelaide Street West, Toronto.

McIntyre-Porcupine

Would you consider it advisable to sell my holdings in McIntyre-Porcupine? I have heard a rumor to the effect that the mine was about mined out and that the shares were liable to decline very much in price.

In an official statement made by R. J. Ennis, general manager of the McIntyre-Porcupine Mines in October last, it was stated that the property was in better shape at that time than at any previous time in its history.

Ore reserves as of March 31, 1929, were shown as some 2,026,000 tons of a value of $16,000,000. It is anticipated that further additions will be shown to this reserve in the forthcoming report for 1929. We think you would be well advised to refrain from selling your shares at present prices.

Triplex Gold

Would you be good enough to let us have full information as to the condition of the Triplex Mines, the progress that has been made in the past, and also whether you would consider it a sound investment?

The Triplex Gold Mines property consists of 25 claims in the Shaw Township, Ont. No work has been carried on for some years. There is no market for the stock in Toronto and it is problematical if you could raise any money on your shares at the present time.

Sunloch Mines Had Uneventful Year

Complete report of Sunloch Mines which has just come to hand states that "work was not carried on to any great extent during the year. A small amount of prospecting was done on outlaying claims, which, however, failed to disclose any showings of promise."

Assets of the company total $1,139,701 of which $25 worth of supplies is the only current asset. Largest fixed asset is $547,294, being the value of mining properties. Other assets include $313,037, discount on shares, and $226,539, development expense.

Current liabilities exceed current assets by $85,676, being composed of $53,698 due Consolidated Mining and Smelting and $32,003, interest on, bonds. Other liabilities are ten year seven per cent bonds, $54,000 and common stock, $1,000,000.

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CALMONT OILS, LIMITED

Calmont No. 2 Is Producer

At a depth of 155 feet in the lime No. 2 well came into production with an enormous flow of very wet gas, independently estimated to be the biggest flow in Turner Valley. The well has been running wild since Sunday, April 27th, and one week later was still cleaning itself out, rocks being blown through the four flare lines. Four separators are being installed and storage tanks to take care of production. Arrangements have been made with the Imperial Oil Co., Ltd., to take the entire output. As soon as the well has cleaned itself a production test will be made and published.

Well No. 1 is at 5561 or 107 feet in the limestone.

No. 7 will soon resume drilling as soon as No. 2 is connected up to the separators. This well is at a depth of 4339 feet or about 700 feet from the lime.

No. 4, with casing cemented at 3700 feet, resumed drilling this present week.

The last two wells are on the same lease as No. 2.

"BY TELEGRAM: Official volume test shows Calmont No. 2 producing forty-two and quarter million cubic feet very wet gas. Undoubtedly largest production in Turner Valley."

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Buy the Gold Mines

For weeks we have been advising the purchase of the DIVIDEND paying Gold Mines. In the market reaction of last week the Base Metal Mines have all sold off, while the Gold Mines have held or advanced.

Lake Shore looks to have wonderful present and future possibilities.

We recommend the purchase of Lake Shore, Hollinger, McIntyre and Dome.

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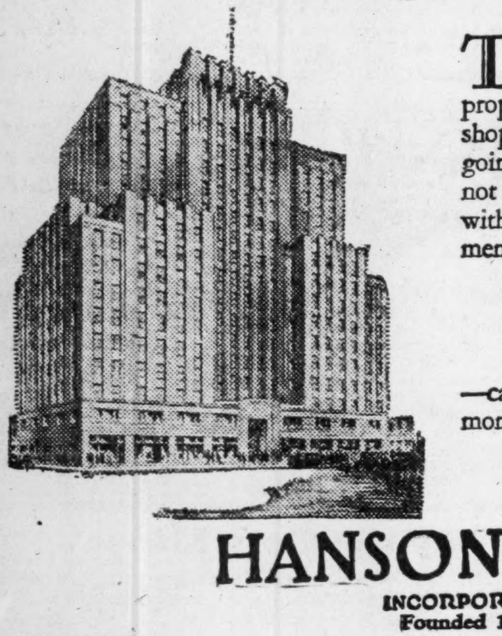

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Market Outlook Clearer

The last six days of trading on United States and Canadian stock exchanges have contained both the most severe reaction since the market break last October and November and a strong recovery which promises to be sustained so far as oil stocks and amusement stocks are concerned. This expected reaction, referred to in this column for more than a month as likely to be more severe the longer it was delayed, has cleared the air to a great extent, and relief was general throughout the Street that it had occurred with as little loss in Canada as did occur.

There had to be considerable strengthening of margin accounts, and new lows were established in such usually popular stocks as Building Products, Brompton, Moore B. Preferred, Beatty Bros., and Canadian Industrial Alcohol. Noranda and International Nickel resisted the discouraging news about copper prices better than did stocks of similar companies in the United States. Copper prices will exercise a discouraging effect on stock prices of such companies for some months. Oils and amusements are now the vogue. There are now a number of apparently under-valued stocks in the Canadian list. If the recovery is too rapid it will be followed by profit-taking and short-selling.

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Canada Wire and Cable Business Ahead of 1929

From Our Own Correspondent

MONTREAL.—Canada Wire and Cable Company is reported to have more business on hand than at this time last year. While the management has not issued any official statement or estimate of earnings, profits are understood to compare favorably with those of 1929.

Unlike some of the other industries, the wire and cable business has maintained its scale of operations of the past year. A recent estimate of the new power developments actually under way or projected, showed that Canadian companies were planning an outlay of over $320,000,000 in the next two or three years. This programme has necessarily brought a lot of business to the wire and cable manufacturers, especially Canada Wire and Cable, which is closely affiliated with the Nesbitt-Thomson group of utilities. This group is one of the most active in regard to new power schemes and will spend well over $50,000,000 in the next year or so.

Will Resign Chairmanship

MONTREAL. — Edgar M. Smith, chairman of the Montreal Stock Exchange for the past seven years, and as well from 1918 to 1920, has announced that he will resign at the next annual meeting of the Exchange which takes place on May 23, 1930.

ASSOCIATED CAN. PROFITS ARE LESS

Net profits of Associated Quality Canners, subsidiary of Whittall Can, were $2.40 per share after all charges, for the year ended February 28, as compared to $2.85 earned a year ago, according to the company's annual statement for the year ended February 28, 1930. Net earnings were about 12 per cent lower than a year ago and after writing off $51,000 for depreciation and $16,600 for income tax, earnings available on the 80,600 shares of capital stock outstanding at the end of the year were $193,363. A year ago there were only 80,000 shares of stock outstanding. The sum of $65,441 was carried into surplus as against $160,795 a year ago.

Total assets are shown at $2,442,303 as compared with $2,054,292 a year ago. Working capital is substantially lower than a year ago by the addition of a bank overdraft of $23,864 and a secured bank loan of $266,200. Total current liabilities are $402,567 as compared with $93,497 a year ago. Current assets are slightly higher at $968,447 as compared with $852,913 a year ago.

Details of profits and loss are as follows:

INCOME AND SURPLUS ACCOUNT
Year Ended Feb. 28

	1930 $	1929 $
Net earnings	261,382	298,636
Less. Depreciation	51,387	50,938
Income tax	16,632	19,656
Net profit	193,363	228,042
Less appropriations:		
Dividends	120,675	60,000
Prop. of organiz. exp. written off	7,247	7,247
Surplus for year	65,441	160,795
Prev. surplus	160,794	....
Operating surplus	226,235	160,795
Capital stock	1,800,000	1,800,000
Add 600 shs. issued	13,500	....
Capital and surplus	2,039,735	1,960,795

Hospice St. Henri Bonds Yield Over 5.3 Per Cent

From Our Own Correspondent

MONTREAL.—An offering of $230,000, 5½ per cent. 20 year bonds of the Hospice St. Henri, Incorporee, is being made by Versailles-Vidricaire-Boulais, Limitee, at 101.50 to yield 5.375%. The Hospice was founded about 45 years ago and comprised a kindergarten and orphanage for boys in the district of St. Henry, Montreal. The Reverend Grey Nuns were in charge of the upkeep of the institution.

The institution has now been incorporated and the corporation has assumed ownership and direction of the establishment, which will provide a home for aged and orphans. A feature of its charter is a stipulation that there shall be no profits for shareholders, who are known as members or governors.

SERVICE STATIONS LIMITED

Annual Report for the Fiscal Year Ended December 31st, 1929

To the Shareholders:

Your Directors take pleasure in submitting herewith the Consolidated Balance Sheet and Income Account of Service Stations Limited as of December 31st, 1929.

Operating profits for the year were $1,804,060.65. After deduction of depreciation on Plant and Equipment of $323,126.96 and providing $143,540.47 for United States and Canadian Income Taxes, earnings available for dividends and surplus were $1,337,393.22, equal to $48.50 per share on the outstanding Preference and Series "A" Preference shares.

After deduction of Preference dividend there remained $1,190,292.72, equivalent to $5.00 per share on combined Class "A" and Class "B" shares outstanding December 31st, 1929.

Dividends on Class "A" and Class "B" shares were increased from 40c to 50c per quarter April 1st, 1929, and on January 1st, 1930, to 65c per quarter, thereby placing the stock on a dividend basis at the rate of $2.60 annually.

Under your authorization, in order to carry out the policy outlined in the last Annual Report, namely, the acquisition of various companies, the Capital structure of your Company was changed June 6th, 1929, by the addition of 15,000 shares of 6% Cumulative Series "A" Preference stock of $100.00 par value per share, and an increase from 150,000 to 250,000 shares of Class "A" stock of no par value. The Balance Sheet details the number of shares of stock of various classes outstanding at the end of the year.

The companies acquired throughout the year were as follows:

(a) Metalwares Corporation—a Holding Company, owning all of the outstanding shares of:

(1) John Wood Manufacturing Company, with subsidiaries located at Conshohocken, Pa., Chicago, Ill., and Los Angeles, Calif., and extensive warehouse facilities on Long Island, at Richmond Hill, New York.

(2) Superior Metal Products Company, St. Paul, Minn.

(b) Shotwell Pump & Tank Company, Boston, Mass. (name since changed to Service Station Equipment Company of Massachusetts).

(c) Holden-Morgan Limited, Toronto, Ont.

(d) Fess Oil Burners of Canada Limited, Toronto, Ont.

Outside of the purchase of the above companies, your Company's investment in plants and property was considerably increased during the year. Extensive additions were made to the plants at Conshohocken, Pa., and Muskegon, Mich. Land was acquired and a factory erected at Toronto, Ont., for the manufacturing and other services of Holden-Morgan Limited and Fess Oil Burners of Canada, Limited. In addition, to meet the growing demand in Western Canada for various products of the Company, land was purchased and a factory erected at Winnipeg, Man.

Owing to unsatisfactory operating conditions at the plant of Republic Steel Package Company, Richmond, Calif., your Directors have amalgamated this business with Rheem Manufacturing Company of Emeryville, Calif., each constituent company taking Preference and Common shares in the consolidated company for their former interests. The Balance Sheet and Operating Account of the Company is therefore not consolidated with the statement presented herewith, but the shares of Rheem Manufacturing Company are now carried as "Investments in subsidiary companies." To provide against any possible loss there might be in this investment a substantial reserve has been set up. Your Directors are pleased to report that the consolidated plants on the Pacific Coast are now operating at capacity and on a very profitable basis.

A Reserve has also been provided for Patents and Patent Rights, so that these items are now carried in the Balance Sheet at a value of $1.00. Your subsidiary companies own many Patents and Patent Licenses, and have applications for Patents Pending which are very valuable.

Your Company maintains a large engineering staff at the various plants, and constant progress is being made in improvements to existing products and the development of new lines, which it is anticipated will add to future earnings and provide a further diversification of products.

All of the cost involved in the designing, production and marketing of a complete new line of gasoline pumps for the United States market has been absorbed in Current Operating Expenses. Today the Company has to offer the most complete line of Oil Trade Equipment in the industry.

In co-relating the many plants now operated, incidental problems and expenses have had to be met. The earnings of your Company did not reflect in 1929 all of the economies which will eventually be possible, but it is anticipated that during the year 1930 your various subsidiaries will show material savings in factory operation and marketing costs.

Your Company, in addition to owning various subsidiaries, operated certain manufacturing plants in Canada. It was deemed advisable to transfer these manufacturing activities to a wholly-owned subsidiary, thus leaving your Company as a holding company only. The Canadian manufacturing business was, therefore, transferred to Service Station Equipment Company, Limited, and the name of your Company (the Holding Company) changed to Service Stations Limited.

Your Directors take pleasure in expressing appreciation of the efficient service rendered throughout the year by the officers and employees of the various subsidiary companies.

By order of the Board of Directors.

A. L. ELLSWORTH,
President.

Toronto, April 29th, 1930.

CONSOLIDATED BALANCE SHEET

ASSETS

Land, Buildings, Plant and Equipment	$5,498,068.61		
Less Reserve for Depreciation	1,697,917.03		
		$3,800,151.58	
Premium paid for shares of Subsidiary Companies acquired		6,078,085.59	
Investments in and advances to other Subsidiary Companies		761,270.63	
			$10,639,507.80
Cash on Hand and in Banks		$ 410,276.59	
Marketable Securities at Market Value		299,429.74	
Bills and Accounts Receivable (Less Reserve)		1,895,160.54	
Accounts Receivable—Affiliated Companies		75,967.13	
Inventories		2,666,923.38	
			5,347,757.38
Advances and Prepaid Expenses		$ 75,325.98	
Other Assets		34,264.67	
			109,590.65
Patent Rights and Licenses			1.00
			$16,096,856.83

LIABILITIES

CAPITAL:			
Authorized:			
6% Cumulative Convertible Preference, 15,000 Shares (Par Value $100), less shares converted			12,621 shares
6% Cumulative Convertible Preference Series "A," 15,000 Shares (Par Value $100), less shares converted			14,950 shares
Common Class "A" (no par value)			250,000 shares
Common Class "B" (no par value)			50,000 shares
Issued:			
12,621 shares 6% Cumulative Convertible Preference		$1,262,100.00	
14,950 shares 6% Cumulative Convertible Preference Series "A"		1,495,000.00	
188,292 shares Common Class "A" and 50,000 shares Common Class "B"		7,782,457.50	
		$10,539,557.50	
Surplus from appraisal of Fixed Assets	$1,402,378.21		
Surplus earned	2,152,338.11		
		3,554,716.32	
			$14,091,273.82
Bankers' Advances		$ 978,815.98	
Notes and Accounts Payable and Accrued Charges		660,066.49	
Dividends declared		196,226.84	
Reserved for Dominion and Federal Income Taxes		167,473.70	
			2,002,583.01
			$16,096,856.83

CONSOLIDATED SURPLUS ACCOUNT

31ST DECEMBER, 1929

Balance 1st January, 1929			$ 1,203,198.10
Add: Surplus of Subsidiary Companies purchased: Metalwares Corporation Fess Oil Burners of Canada, Limited Holden-Morgan, Limited			787,475.74
			$ 1,990,673.84
Deduct: Reserve for Patents and Expenses of Reorganization		$ 328,273.56	
Reserve against Investments in and Advances to Subsidiary and Associated Companies, etc.		252,011.87	
			580,285.43
			$ 1,410,388.41
Add: Gross Operating Profits for Year		$1,804,060.65	
Less: Provision for Depreciation	$323,126.96		
Provision for Income Tax	143,540.47		
Dividends paid and declared:			
Class "A"	306,016.02		
Class "B"	107,500.00		
Preferred	79,750.50		
Preferred Series "A"	67,350.00		
Interest paid in lieu of dividends to Vendors of Subsidiary Companies Purchased	34,827.00		
		1,062,110.95	
			741,949.70
Balance 31st December, 1929			$ 2,152,338.11

AUDITORS' CERTIFICATE

We certify that we have verified the above Consolidated Balance Sheet and that in our opinion it is properly drawn up so as to exhibit a true and correct view of the state of affairs of Service Stations Limited, and its Subsidiaries, as at 31st December, 1929, according to the best of our information, the explanations given us, and as shown by the books of the companies.

Approved on behalf of the Board:
H. R. TUDHOPE,
H. W. KNIGHT,
Directors.

Toronto, April 29th, 1930.

CLARKSON, GORDON, DILWORTH, GUILFOYLE & NASH,
Chartered Accountants.

10,000 Shares

Associated Telephone and Telegraph Company

Six Dollar First Preferred Stock

With Non-Detachable Stock Purchase Warrants entitling the holders of the Six Dollar First Preferred Stock to purchase the Class "A" Stock of the Company at $57.50 a share flat, on or before July 31st, 1930, at the rate of one share of Class "A" Stock for two shares of the Six Dollar First Preferred Stock.

Authorized 100,000 Shares. **Outstanding 30,000 Shares.**
Without Par Value

Preferred as to assets and cumulative dividends. This stock ranks equally, except as to redemption price and voluntary liquidation price and dividend rates, and in that it is without par value, with an authorized issue of 100,000 shares of 7% First Preferred Stock ($100 Par), of which 35,000 shares are now outstanding. Redeemable in whole or in part, at the option of the Company, on any dividend date, upon thirty days' prior notice, at $115 per share and accrued dividends, or in event of involuntary liquidation at $100 per share and accrued dividends. Dividends payable quarterly on the first days of January, April, July and October.

Transfer Agents:
CONTINENTAL ILLINOIS BANK & TRUST COMPANY
Chicago, Illinois
MONTREAL TRUST COMPANY
Montreal, Canada

Registrars:
HARRIS TRUST & SAVINGS BANK
Chicago, Illinois
THE ROYAL TRUST COMPANY
Montreal, Canada

The following information has been supplied by Mr. E. C. Blomeyer, Vice-Chairman of the Board of Directors of the Company:—

BUSINESS: Associated Telephone and Telegraph Company, incorporated, March 1st, 1926, under the laws of the State of Delaware, represents an alliance of American and British financial and operating interests of long and successful experience in the telephone business and allied industries. The Company controls directly or through subsidiaries, telephone companies, telephone equipment manufacturing companies and other companies. These companies include Automatic Electric Incorporated, Automatic Telephones, Limited, British Columbia Telephone Company, Compania Telefonica de Barranquilla and The New Antwerp Telephone and Electrical Works. In addition to the foregoing the Company and its British associates in co-operation control the Anglo-Portuguese Telephone Company, Limited, Automatic Telephone Manufacturing Company, Limited, and other companies, including The Cable Telephone and General Trust Limited.

EARNINGS: Consolidated Earnings of Associated Telephone and Telegraph Company and subsidiaries for the years ending December 31st, 1928 and December 31st, 1929, (including earnings for the full year 1928 from properties acquired during that year), as reported by Arthur Andersen & Co., Certified Public Accountants, on the basis of their own and other auditors' examinations, were as follows:—

	For the Years Ended December 31, 1928	December 31, 1929
Gross Earnings of Telephone Properties and Gross Profit on Sales	$10,701,622.52	$13,321,582.62
Operating, Maintenance, Selling and General Expenses and Local and Federal Income Taxes	5,999,883.76	6,746,933.43
Net Earnings before Depreciation	$ 4,701,738.76	$ 6,574,649.19
Depreciation and Other Reserves	1,663,878.19	1,887,461.94
Net Earnings after Depreciation	$ 3,037,860.57	$ 4,687,187.25
Annual Interest Charges, Annual Dividends on Subsidiary Preferred Stocks not owned and earnings applicable to Minority and Participating Stock Interests		2,490,941.78
Consolidated Net Income available for dividends on First Preferred Stocks		2,196,245.47
Annual Dividend Requirements of Shares of First Preferred Stocks outstanding with public at end of year		413,774.00
Dollars per share earned		$34.76

The consolidated net income of Associated Telephone and Telegraph Company and its subsidiaries available for dividends on the First Preferred Stocks, as indicated above, after allowances for depreciation and taxes, including Federal Income Taxes, for the year ended December 31st, 1929, was more than five times the total dividends on the First Preferred Stocks outstanding at end of the year.

CAPITALIZATION: The capitalization of Associated Telephone and Telegraph Company as of December 31st, 1929, was as follows:—

		Authorized	Outstanding in hands of public
Six Dollar First Preferred Stock	No Par Value	100,000 Shares	28,500 Shares
7% First Preferred Stock	$100 " "	100,000 "	34,682 "
Class "D" Stock (paying $4 per share annually)	No " "	50,000 "	44,329 "
Class "A" Stock (paying $4 per share annually plus extras)	" " "	200,000 "	92,084* "
Common Stock	" " "	400,000 "	356,452 "

* *Does not include 15,000 shares held in escrow for exercise of stock purchase warrants.*

The subsidiary companies as of December 31st, 1929, had outstanding in the hands of the public:—

Funded Debt	$ 4,822,883.46
Minority Interests—	
Preferred and Other Non-Controlling Stocks	11,493,576.62*
In Controlling Stocks (Including minority and participating interest in surplus)	8,830,590.90

**Voluntary liquidating value - $12,116,576.62*

ASSETS: Consolidated Assets of Associated Telephone and Telegraph Company and subsidiaries as indicated by the balance sheet of December 31st, 1929, were $68,289,198.92, and after deducting securities of subsidiaries outstanding in the hands of the public at their par or stated values and all other prior liabilities and depreciation and other reserves, the net assets applicable to the First Preferred Stocks amounted to $16,949,490.15 which is equivalent to $268.26 for each share of the First Preferred Stocks in the hands of the public at the above date. As of that date, consolidated fixed assets amounted to $41,603,925.23 and depreciation reserves were $10,329,984.73.

PARTICIPATING FEATURE: The Class "A" Stock is entitled to receive cumulative dividends at the rate of $4 a share per annum, before any dividends may be paid on the common stock, and is further entitled to participate with the common stock on advantageous terms to the extent of an additional $2 a share annually.

The Class "A" Stock has paid $4 a share regularly since its issue, and on January 1st, 1930, an initial participating dividend of 25 cents a share was paid. It is expected that further participating dividends will be paid during the current year.

Recent quotations on the Chicago Stock Exchange indicate a price of approximately $64 per share for the Class "A" Stock.

MANAGEMENT: The officers and directors of Associated Telephone and Telegraph Company are men of extensive and successful experience in corporate management and include men who have been prominently identified with the telephone business and affiliated enterprises for many years in the United States, Great Britain and elsewhere.

Legal matters in connection with the issuance of this stock have been approved by Mr. L. E. Durham, of Kansas City, Missouri, for the Company, and by Messrs. Defrees, Buckingham, Jones and Hoffman, of Chicago, Illinois, for the Bankers.

The First Preferred Stock and Class "A" Stock are listed on the Chicago Stock Exchange. Application will be made in due course to list the $6 First Preferred Stock on the Montreal Stock Exchange.

PRICE: 96 and accrued dividend to yield about 6.25%

W. C. PITFIELD & COMPANY
MONTREAL

VANCOUVER 789 Pender St. W.
TORONTO 80 King St. West
OTTAWA 56 Sparks St.
QUEBEC 65 St. Anne St.
SAINT JOHN 105 Prince William St.
HALIFAX 107-109 Hollis St.
LONDON, ENG. 7 Gracechurch St., E.C.3

The statements contained in this advertisement are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

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THIRD SECTION

THE FINANCIAL POST

THIRD SECTION

Vol. XXIV Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, MAY 8, 1930 10c a Copy; $5.00 a Year No. 19

Canada's Wheat Future Assured in Free World Market

Attempts to Interfere With Free Working of Economic Forces Responsible for Present Unsatisfactory Situation—Saner, Sounder Methods, Such as Have Been Tested in Fires of Experience, Promise Most for This Country in Future—Abandonment of Methods of Force and Artificiality Will Win Back Goodwill and Markets We Have to Considerable Extent Lost

Review of World Wheat Situation in Relation to This Country Shows That We Have Most to Lose from Consumers' Resistance to Grain Buying in Countries That Formerly Imported Much Wheat, and Most to Gain in Any Return to Former Conditions—Canada's Wheat Development is Really Recent; Dating Back to Beginning of Present Century

Canada and World Wheat Situation

Many weeks of study and writing have been put into this analysis of a subject of the most direct importance to every Canadian. This article presents a survey of wheat development in Canada; a picture of the present world situation and a distinct diagnosis of the present difficulties which have affected the agricultural, financial and industrial situation in Canada in no inconsiderable degree.

While frank and plain-speaking, the article is, The Financial Post believes, thoroughly fair and authentic.

The final conclusion is that Canada can regain its place in world wheat export and can continue to grow increasing amounts of wheat and market it with profit to the producer and prosperity to all. But the clear necessity for re-establishing an open and unrestricted market for wheat in which economic forces play their part is emphasized.

This article, as are all of the articles in this issue with the exception of two or three which bear the names of outside authors, were prepared by the staff of The Financial Post.

IT IS not without good reason that wheat and wheat marketing have been, during recent months, topics of the most absorbing interest from one end of Canada to the other. In a general way we have all known for many years that the annual production and marketing of our wheat crop has been one of the important elements of our national life and our national business, but to a large extent it has been customary to take these things for granted. If within the past few months the national mind of Canada has been galvanized into consciousness of wheat, it is because the pocket-book nerve of the country has been touched. Hardly an individual in Canada has failed to realize that, however remote he may live from the wheat fields of the West, however far his interests may seem to lie from growing and selling, in some way or other he is personally and vitally concerned with wheat.

Disturbance to Wheat Trade Everybody's Business

Something happened. Something went wrong with wheat. Events began to move differently from the course that over many years we had been accustomed to consider normal. Wheat ceased to flow out of the country, and payments ceased to flow in. At first it seemed to be the business of the farmer only, but soon it became everybody's business. The business man who went to the bank to borrow money heard about wheat. The importer who set out to buy foreign exchange heard about wheat. The factory executive heard about wheat, and soon the whole factory was thinking about wheat, and thinking of it in terms of employment and wages. The merchant, and not only the merchant on the prairies, but every merchant from Halifax to Vancouver, and whether he sold silk stockings or steam turbines, heard about wheat. The fisherman of Nova Scotia, the miner of Cape Breton, the lumberman of British Columbia, each in his turn heard about wheat. Each learned to realize that wheat has something more to do with the daily bread of us all than merely providing the loaf on the table.

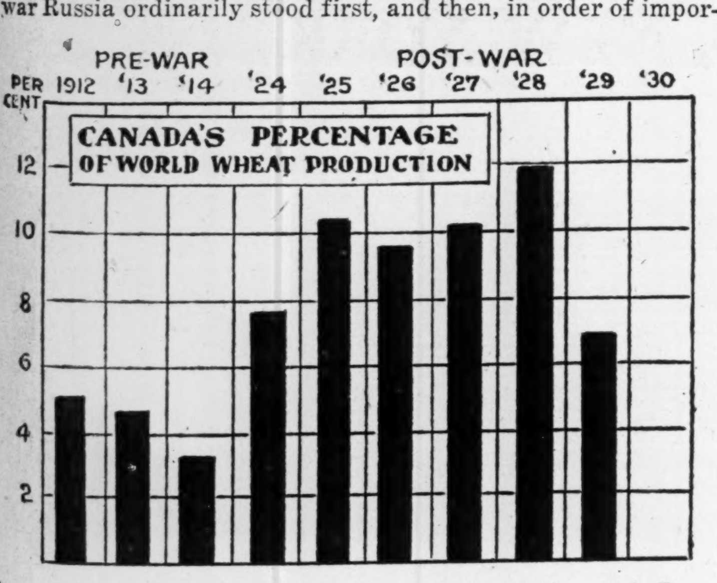
International as Well as a National Problem

To those who looked beyond the borders of Canada, who thought of the wheat of the world instead of the piled up stores in Canada, another fact began startlingly to emerge. *Wheat* was becoming something more than an international trade, it was becoming an international problem. We had been accustomed to think of the people whom we fed with our wheat as being grateful for our supplies. We found them putting up tariffs to keep out our wheat, regarding its import as a menace instead of a help. We found that governments all over the world were concerning themselves with the trade in wheat and with the course of wheat prices. In Australia, in the Argentine, in Canada, in the United States, in France, in Germany and in Italy, and even in Great Britain, governments were taking actions that a few years ago would have been regarded as impossible. All these, in due course, are bound to have their reaction on the international trade in wheat. Still more important, they will have their reaction on international relations and upon international amity. An international situation is being created in which Canada has a major interest, an interest greater than probably that of any other country.

There is a real problem here, one not to be solved simply by hoping that things will clear up, but one on which some definite and clear-cut thinking on the part of Canada is required.

Canada's Wheat Development

Canada now ranks first among the wheat exporting countries of the world, followed by the United States, the Argentine and Australia. These countries now provide about 90 per cent of the wheat that moves internationally. Before the war Russia ordinarily stood first, and then, in order of importance, the United States, Canada and Australia, with Roumania and Bulgaria furnishing considerable quantities.



Of the importing countries Britain is far ahead of all the others, followed by Italy, Germany, Belgium, Holland, France, Scandinavia, Japan, Greece, Spain, Brazil and other countries.

To a very large extent Canada has taken the place formerly occupied by Russia in the world supply of wheat. How recent is our development in wheat is frequently forgotten, for although Eastern Canada was shipping wheat to England in quantity as far back as 1872, it is only since the beginning of this century that we commenced to grow wheat in earnest. At that time Western Canada, and chiefly Manitoba, was producing about fifty million bushels annually. Not until 1909 did western production first pass one hundred million bushels. Before the war it had never surpassed 180,000,000 bushels. The three hundred million mark was passed in 1915, but not attained again until 1922. Four hundred million bushels was passed for the first time in 1923, and five hundred million bushels in 1928.

That increase represents the development of Western Canada, and upon it has been based a good deal of the progress made in recent years by the whole Dominion.

All the building up of Western Canada, the construction of railways, the bringing in of settlers, the growth of cities, the construction of roads, the establishment of commerce, took place because of one thing. Canada was taking, and was formerly able to take, the international market for wheat for granted. Then quite recently, really very much too late, when it was obvious to anyone that something was radically wrong with wheat, Canada rubbed her eyes and looked out upon the world to discover that the international demand and the international market for wheat could no longer be taken for granted. It was at once more competitive and more difficult than had been supposed.

New Developments Internationally Upset Our Ideas on Wheat

HERE are a few of the things Canada found when she began to survey the new international situation in wheat:

Italy.—Taking the lead in an European movement for independence of imports, **by expanding home acreage,** and by imposing very high duties against imported wheat.

Germany.—Turning back from wheat to rye. Steardily increasing duties against imported wheat, and restrictive regulations against its use. Exports of wheat subsidized.

France.—Self sufficient this year in wheat. Imports practically embargoed. Exports subsidized.

Great Britain.—Projects for government entry into grain business seriously considered Concurrent agitation on behalf of consumers to bring down the price of bread, and on behalf of farmers to increase domestic prices and production.

Spain, Portugal Switzerland, and Roumania.—All increasing tariffs against imports, and trying to develop home acreage.

Russia.—Plans for the remaking of agriculture.

United States.—Government intervention in markets on largest scale ever known.

Australia.—Plans for government fixed prices on wheat and government intervention in marketing.

Argentina.—Negotiating a treaty with Canada's best customer, Great Britain, for supplies of wheat.

Brazil.—Planning to turn surplus coffee acreage into wheat.

And, with all this government interference, actual and proposed, with the business of wheat marketing, Canada found that three of her provincial governments were, by way of credit guarantees, also involved in the business. At the same time plans for a compulsory marketing scheme were being urged in Saskatchewan which if carried out will inevitably result in government participation in marketing on a grand scale.

Italian Lead in Resistance to Buying

European resistance to buying, recently brought so suddenly and sharply to our attention, largely rests upon tariff policies first put into effect last May, June and July, although there have been increases since. It could hardly have been coincidence that brought such policies into being at the same time in so many different countries, and it is quite evident that they were not inaugurated as the result of the harvest prospect of last year, which could not have been calculated at the time. It would seem evident that these policies, as defensive measures against the cost of imports, have been in the making over a considerable period. They were made remarkably effective by the laying in of heavy supplies of wheat last year, and the heavy production, especially of wheat in France and of rye in Germany in 1929.

The lead, both in Italy, and in Europe generally, appears to have been taken by Mussolini back in 1927. At his call an international conference was held in Rome, with the idea of promoting wheat production. Later he decreed that Italy must both have an increased population and produce the wheat to feed them. As Italy has been accustomed to import some 90,000,000 bushels of wheat annually, to supplement her domestic production of 200,000,000 to 240,000,000 bushels, it is a large order that Il Duce has set out to fill. He has gone at it in a very thorough manner, even to the extent of insisting that vineyards must be destroyed to give place to wheat, and that farmers who do not cultivate according to sound principles of agriculture are to be dispossessed. France, Spain, Portugal, Switzerland and other countries have developed policies for the encouragement of wheat growing, and to a large extent these seem to have developed out of the international conference called by Mussolini.

French Also Aim at Self-Sufficiency

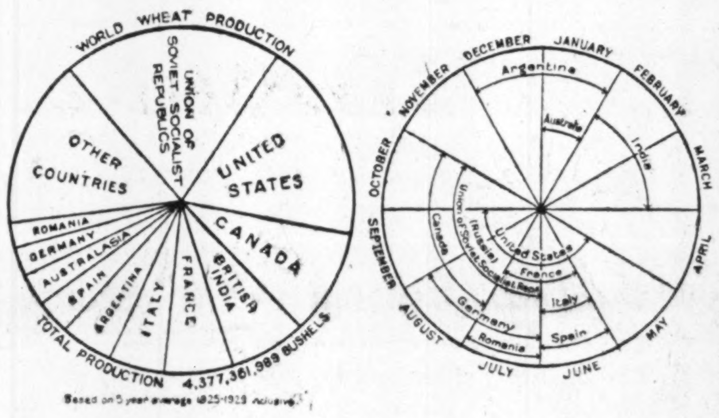
It was in May, 1929, that the Italian decree increasing the duty on wheat imports to 73½ cents per bushel took effect. The decree included a prohibition against exports of wheat, in which respect Italian policy has differed from that of Germany and France, where export has been subsidized.

France raised her tariff on wheat to 53 cents per bushel in May, 1929. Shortly after she proclaimed a "fête du blé," or National Wheat Day, on which prizes to the winners of the wheat competition, previously organized, were to be declared. When the harvest for 1929 was garnered, France found, much to her surprise, that the goal of national sufficiency in wheat production had been attained, due to an extraordinarily heavy harvest, and additional restrictions against imports were made, including a law to the effect that flour mixtures were to contain 97 per cent of domestic wheat. At the same time the export of wheat and flour to the British market was subsidized. These later measures are somewhat different in nature from the earlier ones noted, in that they were intended to protect farmers in an emergency, while the earlier ones were based on the idea of promoting production.

France has for some years required an average annual importation of about fifty million bushels of wheat to supplement a domestic production in the neighborhood of three hundred million bushels. If she is to attain self-sufficiency in normal years it will probably be more by increasing production in her Northern African possessions of Algeria and French Morocco, where acreage has grown rapidly in recent years. Northern Africa, all told, including Egypt and Tunis, it might be noted in passing, produced in 1919 a total of 117,000,000 bushels of wheat.

Germany, as is the case generally in Northwestern Europe, both consumes and produces rye on a much greater scale than wheat. Prior to the war she supplemented her production of wheat by importing about ninety million bushels annually. Since the war her imports of wheat, at first small, and varying from year to year in accordance with her ability to pay, have increased to practically pre-war quantities.

In July of last year a law was adopted which compelled the use of at least thirty per cent of German wheat in flour mixtures, and this was to be not less than forty per cent from August 1 to November 30. When the harvest, both of wheat and rye, turned out to be a good one, further restrictions against the use of foreign wheat were imposed, raising the percentage of domestic wheat required and for a time requiring the admixture of a percentage of rye. The tariff on imported wheat, which a few years ago was non-existent, was increased from 48½ cents per bushel to 78 cents per bushel. At the same time, as in former years, the export of German wheat was subsidized. The result of these various measures is not so much to transfer consumption from foreign to domestic wheat as to compel the consumption of rye instead of wheat.



Based on 5 year average 1925-1929 inclusive

Portugal has followed the lead of Italy in developing a campaign for the growing of wheat, and is actually subsidizing the clearing of vineyards to be replaced by wheat, while increased tariffs against imports are in effect.

Spain has adopted a price-fixing policy, and allows the use of 25 per cent only of foreign wheat in flour against 50 per cent as formerly.

Switzerland has adopted a plan of state purchase of home-grown wheat, "at a price which shall make cultivation possible," and duties have been increased to provide funds for the purpose.

Roumania has increased its duties on wheat.

British Government Urged to Go Into Business

In Great Britain the government has been considering legislation requiring the use of a certain percentage of British wheat in all milling bixtures, with the two-fold object of securing a better price for British farmers and of promoting the growing of wheat. The United Kingdom ordinarily uses about 270,000,000 bushels of wheat annually, of which approximately 50,000,000 bushels are supplied by home farmers and about 220,000,000 bushels imported. This makes Great Britain incomparably the greatest market in the world for imported wheat; she is by far Canada's best customer. In recent years there has been a decline in acreage devoted to wheat, so that there are not only now 1,300,000 acres less in wheat than at the peak of war-time cultivation, but also 500,000 acres less than before the war. This has caused a great deal of concern for producers, especially in those parts of England affiliated with the farming and land-holding classes, while concurrently there has been a great deal of concern because of the cost of food supplies to consumers, and this has been chiefly expressed in the cities and in the industrial parts of the country.

Wheat Board is Chief Proposal

Many schemes of greater or less ingenuity have been put forward to accomplish the double object of getting more money for English farmers and cheaper wheat for consumers. Promoters of these schemes have directed their criticism impartially against the British millers for not passing on to consumers the benefit of low wheat prices when such prices occur, against producers' selling organizations abroad for attempting to increase prices or to hold up supplies, and against government interference in other countries with the wheat market.

The plans proposed vary in nature, but the general idea is that the British Government must set up some kind of a Board to control importations, to deal with the growing concentration of power in the hands of producers abroad, and that such a Board can effect sufficient economies to enable higher prices to be paid to British producers. This quality of purpose, of taking care of the interests of both home farmers and home consumers is at the bottom of most of the measures recently taken by governments in continental Europe, and explains the contradiction, at first somewhat puzzling, of the attempt made to fight price increasing tendencies from abroad by tariffs which actually make imported wheat still dearer.

Must Sell At World's Price

"No matter how estimable the desire may be to get a high and very remunerative price for Canadian farmers, we must realize that if we are going to grow and to continue to grow wheat for export we must be prepared to sell it in the world's market, and in doing so to meet the world's competition in price. If we want to stay in the business we must realize that no government or combination of governments, no pool or combination of pools, no matter how prices may be temporarily affected, can get us a price above what the world's competitive markets will pay."

E. F. Wise, M.P., who is one of the principal proponents of a plan for government wheat trading, is an influential member of the British labor party. There have been government proposals, apparently since abandoned, for building grain elevators in Great Britain, and attempts by the Hon. J. H. Thomas to conduct direct negotiations with the Canadian Wheat Pool.

The outcome is decidedly uncertain, but the situation is sufficiently disturbing, especially in view of the fact that British millers have now for a long time been getting on with much less than their usual percentage of wheat from Canada. Partly this has been due to the purchase of other wheats which were bought at a time when Canada was not meeting competitive prices in the market. Partly also it is due to a different technique in flour making, by which millers have rendered themselves more independent than was formerly the case, of supplies of hard glutinous wheat such as Canada produces.

United States Grain Situation Important Factor in World Policy

THIS wholesale European resistance to buying, this unanimity of thinking and almost concerted action of different countries, is startling when the facts are thus assembled, and for an explanation we have to look for forces great enough to act on all these different nations, ordinarily so diverse in their ideas and their policies. One great force is to be found in international finance. The cessation of large scale loans on the part of United States bankers to European countries, and particularly to Germany, during the past year, is one development which has affected the ability and the willingness of such countries to import heavily. The course of the German reparations settlement has had widespread effects on the course of international trade. But there is ample evidence that what has occurred in importing countries is in large measure the direct result of previous occurrences in the great exporting countries, and particularly the United States, Canada and Australia. It is desirable first to look at developments in the United States.

United States as Wheat Producer

For many years the United States has been one of the greatest wheat producing, wheat consuming and wheat exporting nations of the world. The war gave a great impetus to the production and by 1919 72,308,000 acres were sown, against acreages that in previous years had ranged from 45,000,000 to 60,000,000. From that point a decline set in, accelerated by the fall in prices, and by 1925 acreage was down to 52,255,000. From that point it has again been steadily climbing until in 1929 there were sown to wheat 61,141,000 acres. These figures are of importance as indicating the ability of the United States to expand or contract its acreage under the influence of high or low prices. In no other part of the world is there an equal elasticity in this respect.

The largest wheat crop ever produced in the United States was in 1915, a year which there, as in Canada, produced an almost miraculously high per acre return, and in that year production was just over a thousand million bushels. The year 1919, from a much larger acreage, gave a return of almost a thousand million bushels. During the past four years the yield has been well over eight hundred million bushels annually, and in 1928 it was in excess of nine hundred million bushels. It is a potential producer of more than a thousand million bushels annually, under prices sufficiently stimulating.

Large Surplus Available For Export

Actual domestic requirements vary with the quantity required for seed, and employed in feeding, but run between 650,000,000 and 700,000,000 bushels annually. A larger part of the exports of the United States than those of any other country are sent out as flour, approximately 60,000,000 bushels annually.

The winter wheat crop of the United States is of much greater volume than that of spring wheat which is normally less than a third of total production. The Dakotas and Minnesota produce hard spring wheat comparable in quality to that of Canada. Kansas and Nebraska specialize on hard winter wheat, of very high milling value. The spring wheats of other areas are softer and normally of less milling value. The domestic milling market absorbs most of the hard spring wheat, and would usually make use of more if available, for the United States consumer wants a very high quality flour.

Development of United States Policy

There is no more remarkable development in modern commerce than the active intervention of the United States government in the wheat markets of the world through the medium of the Federal Farm Board. It has been engaged in a gigantic attempt to raise world prices by market operations, by the accumulation of vast stores, and by campaigns for reduced production. So much at variance are the policies it is pursuing to the record of the past history of the United States, to the genius of its people and to the previously declared opinions of the present President of the United States, that if previously predicted they would have been incredible. The results of the Farm Board actions and policies, in so far as they affect domestic trade of the United States are of course entirely the business of that country, but the reactions of its policies on world trade, on world prices, and on international relations are a matter of concern to the

(Continued on page 23)

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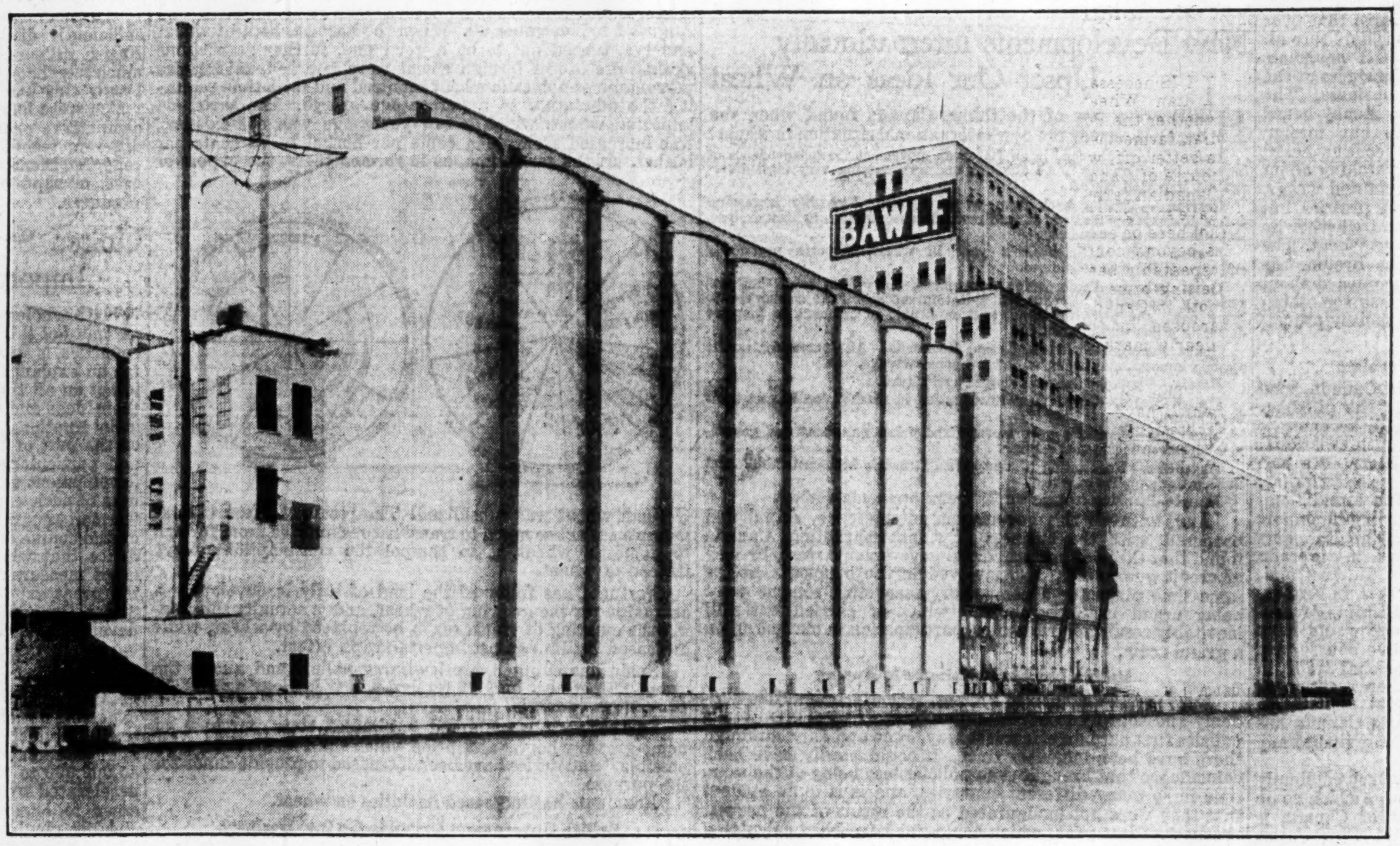

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Importing Countries Alarmed by Truculent Statements

Canada's Wheat Future

(Continued from page 21)

whole world, and to no other country are they of greater concern than to Canada.

The Federal Farm Board, was established by Act of Congress in June 1929, as a result of a special session of Congress called by President Hoover to implement pre-election pledges of the Republican party for "farm relief."

Thinks Prices to Farmer can be Raised

The notion that the tariff should be raised for the benefit of the farmer was generally accepted, and is finding its final expression in the tariff bill now before Congress. But the difficulty was to make "effective" the tariff on such commodities as are exported, mainly wheat, cotton, corn, hogs and tobacco, since the domestic price was established upon what the "surplus" over domestic requirements would bring in world markets. Implicit in the whole idea of "farm relief" was the idea that prices must and could be raised for the benefit of the farmer.

One project that found widespread acceptance was that of the McNary Haugen bill, finally disposed of by veto of President Coolidge. The idea of this, as applied to wheat, was to impose an "equalization fee" as a tax upon the primary sale of every bushel of wheat. The money thus collected would be spent in encouraging the export of wheat, to get it off the domestic market.

When this idea was rejected, in one of the most vigorous messages President Coolidge ever addressed to Congress, the next development was the idea of the "export debenture." In essence, and with only a slight disguise, that scheme provided for an export bounty on wheat, for the exporter would get a debenture representing every bushel of wheat sent abroad, equivalent in face value to the tariff duty of 42 cents a bushel, and such debentures could be used in payment of any taxes to the treasury of the United States. The export debenture plan is still alive, for it is tacked on to the current tariff bill before Congress, although it is generally expected to be killed before the bill finally passes.

Federal Farm Board Plan is Adopted

But, if the McNary Haugen plan, and the export debenture plan were vetoed, the plan of farm relief through the establishment of a Federal Farm Board received last June the executive approval of President Hoover. Ostensibly the bill which created the Farm Board transferred the problem of relieving the farmers to the farmers themselves through co-operative organizations, already existing or to be established. The Board, in essence, was to be simply a lending agency, to be equipped by Congress with funds up to the amount of five hundred million dollars, to be used as a revolving fund for loans to co-operative associations.

So far as wheat was concerned the Board did not find any co-operative organizations equipped to handle the large scale operations it had in mind, so two corporations were set up, nominally co-operative, but so much the creatures, and so much under the control of the Board, that their operations are spoken of, and correctly so, as Farm Board operations. The first plan tried by the Board was lending money to farmers on wheat, even in excess of its market value, in the endeavor to persuade them to hold it back for higher prices. From that it passed to the purchase of wheat on a very large scale.

Aim to Curtail Average Sown

Its plans and policies have varied and the most recent development is an effort to persuade farmers to make a great reduction in wheat acreage, so that prices may thereby be increased, while it has the problem facing it of disposing of the great surplus of wheat which is being gradually accumulated under its control. Two recent utterances of the chairman, Alexander Legge, illuminate the situation. In a published letter addressed to the Governor of North Dakota he wrote:

> "The present operations of the Stabilization Corporation will undoubtedly result in their having upward of 100,000,000 bushels of wheat on hand at the close of the present season, and if farmers are going ahead trying to produce an additional surplus on the basis that some other way will be found to take care of it on a fair price level another year, they are going to be mistaken. If they will co-operate, the Stabilization Corporation will be justified in paying storage charges and carrying this wheat for a time in the hope that a crop shortage somewhere in the world will give them an opportunity to unload it, but on the other hand the farmers' attitude is to let George do it all. The natural procedure would seem to be to dispose of this wheat the best way they could and write off the loss, but doing this would probably adversely affect the price of the 1930 crop."

In the course of a recent address Mr. Legge spoke as follows:

> "You will find the argument for the curtailment of production very unpopular with the farmer as a rule, but it is reasonable to suppose that in time he may grasp the simple problem that if he can get more money for four bushels of wheat than he can get for five bushels of wheat, perhaps he will raise four bushels of wheat instead of five bushels. That is a typical illustration of where we stand today. A 20 per cent reduction in average of what the farmer produces would make the tariff effective and give him a higher level of price. I think it conservative to say that 20 per cent less production would bring him 20 per cent more money than what he is now getting for what he produces."

Seek to Dump Wheat as Flour

One of the latest developments of farm board policy is to ask millers to make bids on wheat to be manufactured into flour under a guarantee that it will be exported before the end of August.

It is important to note this, that although the actual development of Farm Board policy, through various shifts and changes, has been to bring about a situation where the prospect looms up of dumping surplus wheat abroad at low prices, the whole course of the discussion which led up to its creation was based on the idea of enabling the farmer to withhold his wheat from market so he might thereby be able to exact higher prices.

Both before and after the Board was created the United States Department of Agriculture declared that wheat prices were too low, and that farmers could get more money if they would only hold back their wheat for a time. Farmers who accepted the advice of the Department, or the urging and loans of the Farm Board, have suffered bitter disillusionment, for they have seen a heavy drop in prices instead of the promised increase.

But the greatest importance of these activities, and the talk and propaganda surrounding them, has been the part they have played in developing the European state of mind and the resistance to buying expressed in the various measures already enumerated.

Price Fixing in Australia

Shortly before the war Australian acreage devoted to wheat advanced from seven and a half million to over nine million acres. It did not, except for a brief period during the war, exceed ten million acres until 1922, nor get much above eleven million acres until 1926. It has shot up during the past few years to fourteen million acres, and the Victoria government is urging an increase of another million acres.

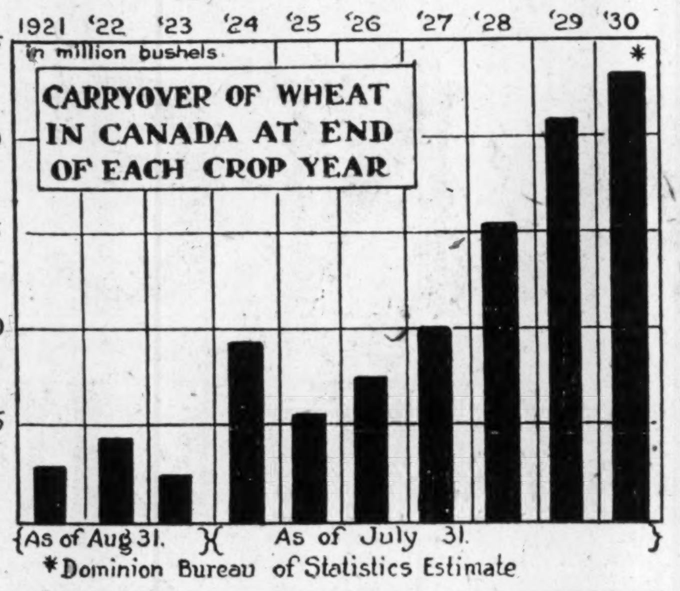
Different schemes of voluntary and compulsory pooling of wheat have for a long time been in effect, with varying satisfaction to growers, and a new scheme has now been put forward by the Federal Government, in association with the governments of the various states, and growers are to vote on this next July. Under the plan control is to be vested in a Board in each state, and each State Board will have a nominee on the Central Board, where also the Federal Government is to be represented. It is intended to be a five year plan, and for the first year the Federal Government will guarantee a price of four shillings net per bushel at country stations, considerably more than the current price of wheat.

Although some wheat growers are opposed to the plan, as likely to lead to trouble, the guarantee of a fixed price is relied on to swing the vote in its favor. The idea that control over prices can be effected by a sufficient concentration of selling control has been widespread in Australia for a long time. The plan now advanced appears to be the result of a feeling that the disappointment experienced with earlier plans was only due to their not being sufficiently comprehensive.

Claims "Credit"

"So far as we can recall, no more general recognition of the power of the Wheat Pool to influence prices or the movement of Canadian grain generally, has been in evidence since the formation of the Pool than is evident at the present time."

—*Saskatchewan Wheat Pool publicity, Oct. 10, 1929.*



Pool Claim of Raising Prices Arouses Antagonism Abroad

IT IS necessary now to look at certain aspects of the Canadian Wheat Pool. Such controversial matters as to whether the Pool has or has not been a benefit to the Canadian farmer, whether the Pool farmer or the non-Pool farmer is better off, whether the Pool has or has not influenced the course of Canadian and world prices to the advantage of the Canadian farmer, and whether the Pool should or should not have sold greater quantities of wheat at particular times, need not here be enquired into. It is necessary only to observe what is beyond controversy, that claims have since its beginning repeatedly been made on behalf of the Pool of its success in raising prices, and that credit and blame have been given it, both in Canada and abroad, on that account. The reactions aroused in the minds of purchasers abroad have been clearly marked.

Pool Claims to Be in Control

The following may be taken as summing up the claims which have been made for it over a number of years. The quotation is from an article headed "The Pool in Control," issued by the Publicity Department of the Saskatchewan Wheat Pool, and appearing in the "Western Producer,"* of Saskatoon, Oct. 10, 1929.

> "It seems to us at this time that the most significant feature about these two statements, including also statements which have been made by various interested parties, including shipping interests, is that the wheat pools of Western Canada are recognized as being the controlling factor in regulating the Canadian wheat movement. There is a recognition of the fact that it is the attitude and the stand taken by the Canadian wheat pool which has held the price of Canadian wheat to its present level in the face of the serious congestion in domestic storage warehouses.
>
> "So far as we can recall, no more general recognition of the power of the wheat pool to influence prices or the movement of Canadian grain generally, has been in evidence since the formation of the pool than is evident at the present time. It is the clearest practical demonstration of the influence which farmers may achieve through united efforts that any reasonable minded person could desire."

The following, from the "Western Producer" editorial page of September 12, 1929, may serve as an example of friendly comment:

> "They do not propose to sell at sacrifice prices when they are reasonably certain, from the information in their possession, that they can secure prices which will give them reasonable return; and they do not have to sell. It is that last fact which annoys the higher circles. It never happened before. The idea of farmers attempting to set a price on their commodities is a little too radical a notion for them to swallow."

"Could Have Got Twice the Money"

Going back to an earlier year, and to remarks that were extensively quoted at the time, the following appears in the official report of an address given by H. W. Wood, President of the Alberta Wheat Pool, at an international Wheat Pool Conference, held at St. Paul, Minn., in February, 1929: (See Proceedings, page 67.)

> "If that wheat (of Canada, U. S. A., Australia and Argentine) was sold with the intelligence that is possible for the farmers of these three or four countries, there is no question in my mind that we would have no trouble at all about the price of our wheat, no question in my mind but what we could fix the world's price of wheat. I mean raise it. . . . . . If we had been selling that wheat systematically, intelligently, through men who, had made a life study of selling wheat on the world's market, we could have gotten twice the money for our wheat . . . . . .
>
> ". . . . these three great English speaking countries, United States, Canada and Australia, can raise the price of wheat at least fifty per cent above the level of the price that has been maintained through the old system without the assistance of any other country in the world."

European Reactions to These Threats

Immediate reactions among our customers in importing countries abroad to the policy thus enunciated by Mr. Wood were naturally to be expected. That they occurred, and that they were so unfavorable as to create alarm among some of the men connected with the Canadian pool, is proved by addresses made at the corresponding International Wheat Pool conference held the following year at Kansas City, May, 1927.

D. L. Smith, European sales manager for the Canadian Pool, called attention to the concern which had been created in consuming countries, and uttered a warning against the consequences which might be expected to follow, a warning unfortunately not heeded but remarkable in view of the subsequent course of events. In a paper prepared by him and read to the conference, Mr. Smith said: (See Proceedings, page 133.)

> "I must admit that I am somewhat alarmed over the publicity that has been broadcasted regarding this International Wheat Conference. The impression which evidently is quite general in consuming countries being that this conference is for the purpose of forming some plant to develop an International Wheat Pool with practically full control of the world's surplus . . . . . This seems to me to be a much more important matter than might at first be thought. I think especially the Canadian Pool, as the largest Pool in existence would be held responsible for any drastic move that might be considered injurious to the consumer. In any case, it is against our interest to stir up an agitation in Europe with the probable result of a buyer's combine being formed, especially when, in the meantime at least, we are not in a position to hold our own against such a combine."

Mussolini Conference Throws in Bomb

Quite as remarkable were the words of Geo. W. Robertson, secretary of the Saskatchewan Wheat Pool. By this time the European conference on wheat, called by Mussolini to meet at Rome, had been held. Out of that conference, as noted above, have sprung many effects in different countries, the culmination of which is now being felt in the world's wheat markets. At the time, not a great deal of attention was paid on this continent to Mussolini's programme, and it is only now that its consequences are beginning to be widely realized. But Mr. Robertson took note of its meaning when he said: (See Proceedings, page 141.)

> "Over in Rome the other day there was a conference of people interested in wheat which met at the invitation of that remarkable man, Mussolini. We have not yet received any definite report as to the result of the conference, but from dispatches which have been published it would almost appear that all Europe is to be encouraged to raise more wheat, to improve cultural methods, to improve quality, to select better yielding wheat to the end that Europe, our chief market, may become self-sustaining
>
> "In my opinion this conference was called to consider ways and means to meet the bogey of a world wide pool, a tremendous international organization which might be tempted to fix prices, which some people have even credited with the intention of even seeking to control production and which, if organized, would exact a higher price for the bread which the European must buy."

Blame Pool for Price Situation

As indicating the acceptance in England of the idea that the Canadian Pool was responsible for higher prices, and resentment occasioned thereby, the following may be quoted from a report which appeared in the Northwestern Miller, of St. Paul:

> Glasgow, Scotland.
> March 21, (1927)
>
> "At the half yearly meeting of the United Co-operative Baking Society, which runs a big mass production plant of both ordinary and what is known as 'small' bread for the co-operative retail societies in the west of Scotland, and in the Belfast district, Alexander Buchanan, chairman of the society, laid the blame on the Canadian wheat pool for the continuance of bread prices at a level which he thought was unreasonably high.
>
> . . . . . "If it had been a free market he believed that the consumer today would have been enjoying a cheaper loaf. The withholding of wheat from a free market might mean a day of reckoning sooner or later."

This quotation is also to be found in the printed proceedings of the Kansas City Conference.

Mr. Hoover's Warnings

The defensive reaction of European buyers of wheat to attempts to advance prices against them might have been calculated in advance on the basis of probabilities. But official warning against such developments was made in 1925 by Mr. Hoover, now President, and then Secretary of Commerce, of the United States, while certain steps he took then serve as an example of what may be expected under similar circumstances.

Mr. Hoover's wrath was aroused against the Brazilian Coffee Control, and he intervened to prevent loans being made to it by United States bankers. He had protests made to the British Government against the operation of the rubber control. In addition he denounced it in published statements, and as measures of reprisal advocated reduction of consumption of rubber, the development of substitutes, combined buying, and the stimulation of rubber growing in new areas. Before a committee of the House of Representatives he testified as follows:

> "If nothing more comes from this investigation than an illumination of the dangers which lie in these controls and an awakening of our people to the necessity of voluntary action in conservation and in development of procurement of independent supplies, it will have accomplished much, for it will serve notice on these controls that our people will resist. Building up resistance is not a pleasant job, because it is necessarily subject to misrepresentation, but to say that our people must tamely submit is intolerable."

Economic Forces Prevail

"The actual consequences which have ensued from attempts to control the economic forces which govern the world supply and the world price of wheat have been noted. So also have the dangers of still more serious consequences. But that such attempts must of necessity be futile can only be realized when the vastness of the forces in question is considered."

Hoover on High Prices

"High prices stifle consumption. The consumer at once seeks every device to get larger use out of a smaller quantity, and he turns consciously or unconsciously to the use of substitutes."

—*Herbert Hoover (writing as United States Secretary of Commerce).*

Similar Warning in Magazine Article

In a magazine article he wrote (Current History, New York, Dec., 1925):

> "From an economic point of view we have two parties to consider in all interchange—the consumer and the producer. High prices stifle consumption. The consumer at once seeks every device to get larger use out of a smaller quantity, and he turns consciously or unconsciously to the use of substitutes. We thus reduced our coffee consumption by 20 per cent during the past year.
>
> "If all these forces be carried to the extreme, the combined result may ultimately bring some of these controls in a crash around the entire industry.
>
> "These actions and reactions are alive with danger. As long as our international commerce is based upon the higgling of producers and merchants upon a market whose flow is the free flow of supply and demand, their sorrows and exultations do not affect the temperature of national emotion. It may be that if these controls had never existed prices might temporarily go as high or higher, but in such an event there would be the response of increased production instead of increased restriction, and above all there would be no national feelings aroused. But the moment that a government, directly or indirectly, fosters or establishes these combinations, then that government has taken the responsibility for prices. And at once we have higgling of merchants lifted to the plane of international relations, with all its spawn of criticism and hate."

Countries Show Feelings Forecast by Hoover

Mr. Hoover would be recognized as having a right to speak as an authority upon international commerce and upon international affairs. In this connection he is still more interesting as an example than as an authority. If the government of a wealthy nation like the United States could be moved to such indignation as Mr. Hoover expressed, and to such measures of defence as he put under way, what would the feelings be of impoverished countries, overburdened with debt, under similar circumstances applied to wheat? Exactly the kind of thing would be expected which actually has occurred in Europe, tariffs, restrictions and embargoes against imports, the building up of domestic supplies, the use of substitutes, direct government intervention in trade.

Canada's Interest Greater Than Any Other Country

In the further development of the wheat situation, in the possibilities of creating international complications, as foreseen by Mr. Hoover, Canada has a greater interest than has any other country. The United States is wealthy enough to throw away her foreign trade in wheat, the Argentine might turn cattle loose again upon its wheat acreage, Australia might give her wheat farms over to the sheep, India could adjust her economy to consuming all her production. But it is wheat by which, to a large extent, we live in Canada, and there is no other use to which most of our western farm lands could be put, there is no other occupation available for most of our western farmers than growing wheat for export. Leav-

(Continued on page 25)

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* "The Western Producer" carries weekly an official wheat pool publicity page.

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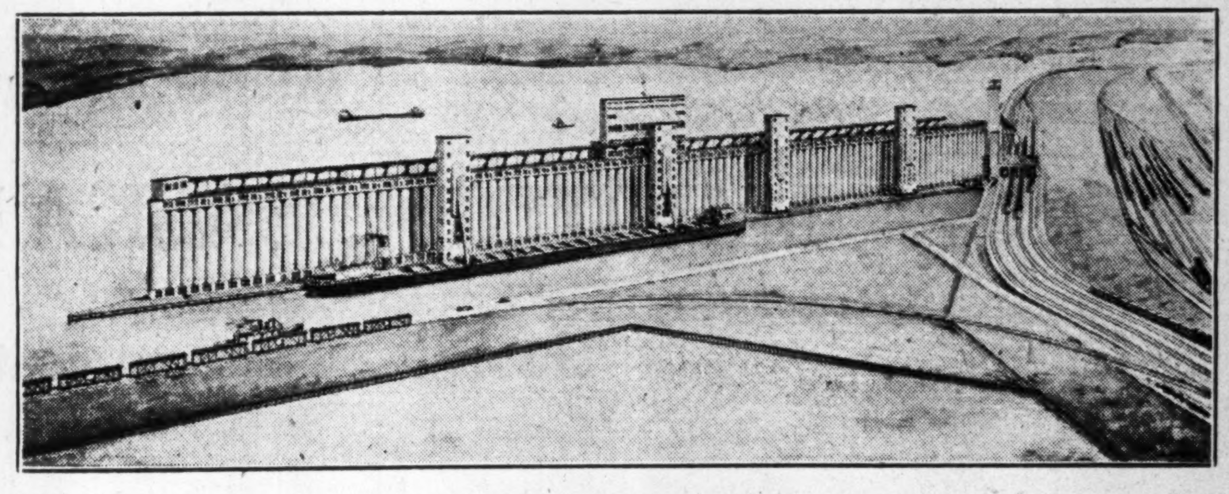

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Midland Pacific Elevator addition, Vancouver	1,000,000 bu.
Buckerfield's Ltd. addition, Vancouver	300,000 bu.
Maple Leaf Milling Co. Elevator, Medicine Hat	300,000 bu.
Collingwood Terminal Ltd. Elevator, Collingwood	2,000,000 bu.
Midland Simcoe Elevator addition, Midland	2,000,000 bu.
Maple Leaf Milling Co., Port Colborne, feed mill and elevator addition	1,000,000 bu.

Elevators now under Construction

Lower Lakes Terminal, Prescott	5,600,000 bu.
Kingston Elevator Co. Terminal, Kingston	2,500,000 bu.
Government Elevator, Churchill, Hudson Bay	2,500,000 bu.
Harbour Commission's Annex No. 2 Vancouver	2,000,000 bu.

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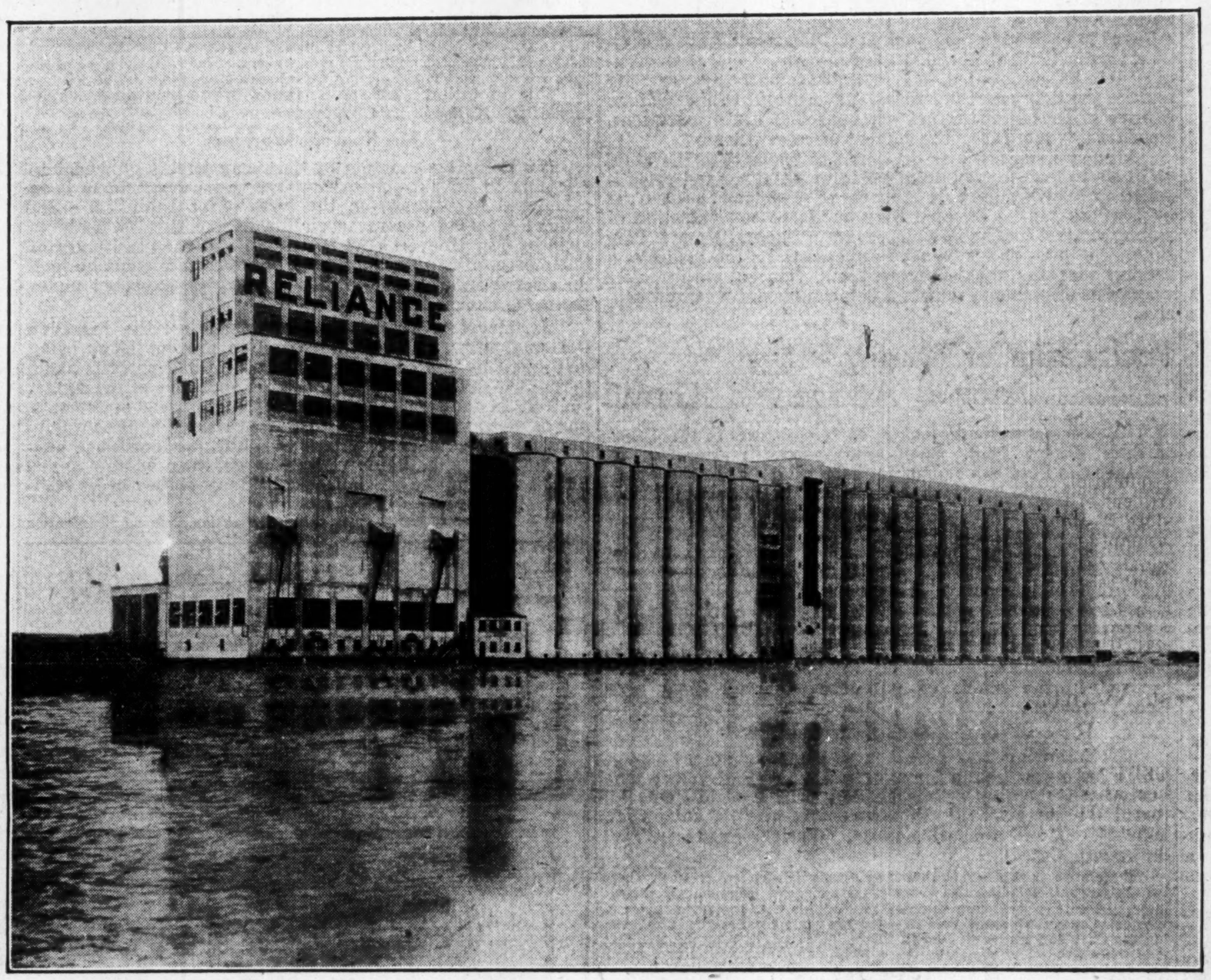

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Canada's Wheat Future

(Continued from page 23)

ing aside altogether our tremendous financial interest in wheat, if the selling of wheat is going to become the affair of governments, it is Canada which would have the major interest in any international complications which might ensue.

The actual consequences which have ensued from attempts to control the economic forces which govern the world supply and the world price of wheat have been noted. So also have the dangers of still more serious consequences. But that such attempts must of necessity be futile can only be realized when the vastness of the forces in question is considered. The world's production, the world's consumption of wheat need to be examined, and the factors which make for greater or less production, and increased or lessened consumption. The international movement of wheat, the factors and the machinery which play a part in the establishment of prices, all need attention. When the vastness of the world-wide production of wheat is realized, the fluidity of wheat, the inter-relationship of prices, the ease with which one bushel of wheat may be substituted for another, and other foods for wheat, the task undertaken by those who seek to raise world prices can be better understood. And also the real problem of Canada at this time, the attitude to be assumed toward problems of production and of marketing, emerges in its true light.

World Production of Wheat Has Been Steadily Increasing

THE world grows vastly more wheat now than it ever did before, but no records of the human race run back beyond a time when wheat was not both an important part of human food and also an important article of commerce. When Nineveh and Tyre were great, when Babylon flourished, when the Pharaohs ruled in Egypt, when the power of Persia was at its height, when Alexander of Macedon was in his glory, and when Rome first began to rule the world, wheat was grown and wheat was traded in. Around the whole coastline of the Mediterranean, wherever land could be tilled, wheat was grown, and it was transported and traded in, brought to the shifting centres of power and of population of the ancient world.

It is the special nature of wheat, above all other human foods, lending itself so well to transportation and to storage, with little risk of deterioration or loss, that makes it so remarkable an article of commerce.

The total world production of wheat now runs close to five thousand million bushels annually. Official figures for 48 countries gave production for 1928 as 4,200,000,000 bushels. That included some 850,000,000 bushels for Russia, a figure which is necessarily a pretty rough estimate, but nothing with respect to the crop of China. That country, including Manchuria, has produced as high as 600,000,000 bushels in a single year, although in recent years, due to drought, to floods, to devastation of the country by bandits, and because of internal warfare, production has been much less. Of this total production between a fourth and a fifth, or roughly from 700,000,000 to 900,000,000 bushels finds its way into international commerce, the greater part being consumed in the countries where it is grown.

Expansion in Other Parts of World

We have been so much occupied in Canada with the expansion of our own wheat acreage as the development of Western Canada has proceeded that we have been inclined to overlook the expansion that has taken place in wheat acreage in other parts of the world. The International Institute of Agriculture at Rome is accustomed to collect and publish statistics relating to countries the governments of which furnish official information. In its January bulletin it lists 46 producing countries, Russia, China and other non-reporting countries being excluded. In these a grand total of 233,777,000 acres under wheat in 1929 are listed, as against 221,523,000 acres as the average wheat area in the period from 1923 to 1927. That is a total increase of 12,254,000 acres. Of that increase Canada was responsible for 3,208,000 acres and the United States for 6,200,000 acres. Northern Africa provided an increase of almost a million acres, while the increase in Australia was 3,661,000 acres. From 1926 to 1928 the Argentine increase was more than 2,500,000 acres.

For actual production the figures of the Grain Trade Year Book (Sanford Evans Statistical Service, Winnipeg), may be quoted. These include estimated figures for Russia and are as follows:

	Bushels
1924	3,452,738,000
1925	4,032,490,000
1926	4,167,221,000
1927	4,258,582,000
1928	4,699,357,000

An inescapable conclusion from these figures is that world wheat prices during recent years were high enough to stimulate production, and that production actually was very greatly stimulated.

Russian Situation and Future

Because Russia has been formerly, and may again be, a factor in the world wheat situation, present developments there demand attention. They are important not only because of their market importance, but also on account of vast political issues involved, for on the success or failure of the current effort to socialize agriculture the very life of the present Russian administration may hang.

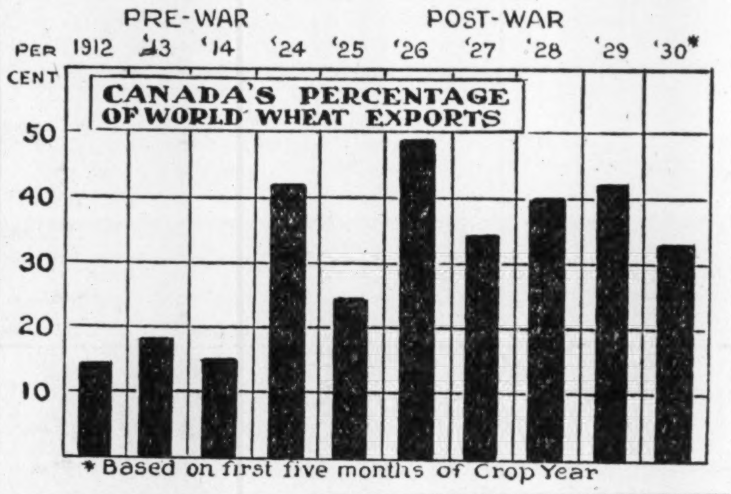
Before the war Russia had an average annual production of some 666,000,000 bushels of wheat, of which the average annual export amounted to 155,000,000 bushels, ranging from a low of about 100,000,000 bushels to as high as 225,000,000 bushels.

The government now is attempting the modernization of agricultural technique, by the organization of vast state-operated farms, cultivated by the aid of machinery, upon which the peasant is to become a laborer. Permanent success of the present Russian experiment seems inconceivable,, so opposed is it to all the ideas currently held as to the basis of a successful agriculture. But so startling to the world would be an appearance of success, that if the resumption of exports became at all possible, even at the cost of internal sacrifice, the government might be expected to make such exports, by way of demonstration of its accomplishments.

Many Alternative Foods to Wheat

Wide as is the field indicated by this great production of wheat, the field in which world forces play upon the production and marketing of wheat is even greater. Rye is also a breadstuff and to millions of people practically the only breadstuff. With millions more it is an alternative food to wheat, to be eaten when wheat is too dear or too scarce. World production of rye ranges from 1,500 million to 1,700 million bushels, and increases or decreases in rye production are reflected directly in the world price of wheat. Oatmeal, barley meal, potatoes and potato flour are foods of outstanding importance in European economy. Rice and wheat in Oriental countries are to a certain extent interchangeable.

In continental Europe, and especially in agricultural districts, rye and potatoes may furnish cheaper sustenance than wheat. German farmers who raise wheat may find it too expensive for their own use, and content themselves with a coarser dietary. Great quantities of rye have at times been imported into Germany from Russia to replace the wheat that was being exported to Great Britain.



France gives a remarkable example of a country with a high wheat consumption. There is a population with a high standard of living, well above the lowest which compels people of other countries to subsist on a coarser diet, but at the same time a frugal and careful people, using much less of meat and other expensive foods than are consumed for example in England. There is also a skill in baking which has made French bread world famous.

Italy is a tremendous consumer of wheat, mainly in the form of macaroni and spaghetti, rather than of bread. Chestnuts and chestnut flour come unexpectedly into the picture here as competitive elements of diet. Germany, Poland and Scandinavian countries provide an enormous market where wheat is in the closest kind of competition with rye, and where comparatively slight price changes will switch some consumption from one to the other. In India, about three hundred million bushels of wheat annually go into human consumption, most of it produced in the country, while certain quantities are annually exported.

Elastic Consumption Responds to Price

The most important fact about consumption is this, that it is elastic, and responds to price. It is not as elastic as is the consumption of some products, but it is elastic because people can and do make a choice between it and other foods. Consumption will not be cut in half if prices are doubled, nor will consumption be doubled by a fifty per cent reduction in price. But the relationship is there, and low prices increase consumption, just as high prices increase production of wheat.

A quotation from a publication of the United States Department of Commerce (Factors in Wheat Marketing, by Theodore D. Hammat, 1927) has a bearing on the question of consumption.

> "Contrary to a somewhat general impression, importing countries, as a rule, do not balance domestic production and theoretical requirements by purchases abroad, but buy more or less liberally from year to year as influenced not only by their own production, but also by the price of foreign wheat, the abundance or scarcity of substitutes, and their financial condition. Their typical attitude is that of a careful buyer with a short pocket book."

Vast World Sea of Wheat Responsive to Economic Tides

EXCEPT for gold there is no commodity in commerce so fluid as wheat. It goes anywhere and may come from anywhere, and the slightest possible variations in prices or in freight rates frequently determine its destination. Hardly a bushel goes into any mill, but might, under slightly different circumstances go somewhere else. Hardly a bushel is milled into flour but the miller might have used some other bushel, and frequently not only a bushel of similar grain, but one from some far distant corner of the earth. No one can tell, when wheat is delivered at a country elevator in Canada when or where it will be consumed. It may go to England or to Costa Rica. It may go to Paris or to Rome. Delivered, it has become part of the world supply.

New Supplies Pour in Each Day

There is, in fact a vast sea of wheat supply, thousands of millions of bushels. Every day it is fed by fresh rivers of wheat, as wheat, newly threshed in some corner of the world, it takes its place in commerce. Every day ten million bushels of wheat or so are drawn off into consuming channels. The sea is never drained dry, although it may sink so low at times that it is below the level of some of the normal consuming channels, or some of them may be blocked for various reasons. At other times it rises, for it has periodical tides, and then it is drawn off into reservoirs, or laps some new shore, and runs off into new channels, or runs fuller in the old. Always wheat is being used, always there is a demand for it that is being satisfied, and always, just beyond the satisfied demand exists an unsatisfied demand that might be filled under slightly different conditions. And always some fraction of the demand that is being satisfied would cease should conditions change.

The wheat of Canada is part of that world sea of wheat. So also is the wheat of the United States, of the Argentine, of India, of Australia, of Russia, and of fifty countries besides. It is not only the supply that actually moves in international trade that constitutes this sea of wheat. The wheat that may be grown and eaten in the Punjab is as much a part of it as the wheat that finds its way to Liverpool, the wheat that is ground at Hongkong as much a part as that which is milled at Kansas City. Like the drops of water in the sea, every bushel exerts its pressure on its neighboring bushels, and the pressure spreads and equalizes throughout the whole.

World-Wide Wheat Market

It is through the wheat market of the world that the pressure of all this wheat is equalized. That market is world-wide. Part of it is at the country elevator in Saskatchewan, Part of it is at the up-country station in Australia. Part of it is at the great mills that grind the flour of Britain, and part where a water wheel drives a remote country mill in France. Part of it is on the cables where buying and selling messages are interchanged. Part is in the bakery when the salesman bargains for the sale of flour. The market is as widespread as is the production and consumption of wheat, and it exists wherever wheat and flour are bought and paid for.

Important Centres for Wheat Trading

The buying and selling that goes on throughout the world constitutes the world market for wheat. But there are certain places where, for convenience, buyers and sellers are accustomed to congregate, where buyers know they can always find sellers, and sellers know they can always find buyers. There are a score or more of highly important places, but outstanding among them all are Liverpool and London, Chicago and Winnipeg. Each of these has a preeminence of its own. Winnipeg has a greater volume of primary receipts than has any other centre. In Chicago is conducted a greater volume of hedging trade than anywhere else in the world. In Liverpool and London is concentrated a greater part of the international trading in wheat than elsewhere, and wheats from the world over, and buyers and sellers from every country interested in the international wheat trade come into contact. Each of these markets is closely connected with the others, and with one or more of them every other market place in the world is related. Whatever happens on one of them is instantly known in each of the others, and whatever happens in one registers in the others, and shortly throughout the world.

World Wheat Prices and Relative Values

We are accustomed to speak of a world price for wheat. There is one price that may be quoted at any time as being the world price for all wheats. Wheats differ in quality, in value and in use, and the relative values of different wheats is constantly changing, according to fluctuations of supply and demand. Proud as we are of the wheat produced in Western Canada, we deceive ourselves if we think it is always the most valuable wheat in the world. It surpasses other wheats, as a rule, in its ability to add strength to a flour mixture such as is required for British and certain continental trade. But Australian wheat has a special value because of its whiteness, French wheat because of its flavor, English wheat because of the quality of its bran. Durum wheat, used for macaroni, is ordinarily regarded as inferior to the standard wheats of Western Canada, but there have been times, when owing to the Italian demand for macaroni, and the relative scarcity of durum wheat, that durum has commanded a higher price even on the Winnipeg market than Marquis, the standard for our number one northern. Wheat immediately deliverable is sometimes worth more than wheat to be delivered a month or six months hence, and sometimes the reverse is the case.

To quote a publication of the United States Department of Commerce:

> "Perhaps the nearest approach to a basic or 'world' price is the cost at Liverpool of a good milling mixture for the manufacture of bread flour. Such a price is not quoted, nor is it readily calculable. And yet, primarily, it is the relative worth in such a mixture that largely determines from day to day the prices paid for the various types and grades that move internationally. There are thirty or more of these, with the price of each depending mainly upon the abundance, quality and position of the supply available and in prospect."

Functions of Wheat Markets Are Established By Experience

IT IS necessary to keep in mind the background of world supplies, of world consumption, of world trading, of the constant interplay of world forces, considering the functions of the market places that are provided in the world centres of the grain trade. Of these the Winnipeg market is the easiest for us in Canada to consider, but its principles and methods are essentially the same as those which govern other great markets.

Buyers and sellers naturally seek others out, and require a customary place to do business. Historically, such customary places have developed originally without definite design. Lloyds in London, the centre of the world's marine insurance, developed out of the customary meeting of shipowners and insurance men in the coffee houses of London. The great Cloth Hall at Ypres records the fact that the wool trade of Europe first centred in Belgium. Mark Lane, Threadneedle Street, Bond Street, Fifth Avenue, Nizhni Novgorod, names known throughout the world, testify to the natural meeting places of buyers and sellers.

So, when Liverpool and London, and later Chicago and Winnipeg became the centres of trading in grain, the necessity arose for a meeting place. To supply such a place exchanges developed, and the first, the most essential function of an exchange, was to provide a room where buyers and sellers might meet. The next was to fix regular hours for dealing and to provide some simple rules to provide the nature of the contracts made, and to ensure their being carried out. Making available information for traders of what goes on elsewhere, and making public to the world what goes on there were other essential functions.

That is really all an exchange is, a place where trading is carried on, and carried on under the eyes of the world, and under such regulation as are necessary in the interests of all concerned. Flour millers may be members of exchanges, but the exchange has nothing to do with milling. Owners of elevators may be members but the exchange has nothing to do with elevators. And so with other branches of the grain trade.

Exchange Itself Not in Grain Trade

The exchange neither buys nor sells. Nor, and this is a fact not always fully realized, has it anything to do with prices except to record them. It simply provides an open, competitive market, in which whoever wills may come to buy or to sell wheat.

That open, competitive feature is the most important fact about the market. There can be no discrimination. Whoever offers to sell must sell to the first who accepts his offer. Whoever bids for grain must accept it from the first who undertakes to meet his offer.

The machinery and the rules of an exchange are interesting, but are not important in a survey of the world wheat situation. It is necessary only to recognize the essentially open, the essentially competitive nature of the market that there exists, and the way in which it is related to all other grain markets.

World Forces Registered

The first sight of an active market is sometimes confusing to an observer. There is noise, but there is always noise in an auction, and the market resembles a continuous auction, except that the buyer takes the lead just as often as the seller. There is quickness and eagerness about the brokers on the floor, there is a strenuousness hard to understand until it is realized what the men there are about, and by what forces they are moved. A broker snatches at an exporter's bid. It is not his own wheat he is selling, but a carload belonging to a farmer in Saskatchewan, whose interests he must serve if he is to get more business. Another broker makes a bid for a round lot of a hundred thousand bushels. He does not want the wheat himself, but has just had a cable from a merchant in Amsterdam. A blackboard shows that the price of wheat in Chicago has gone up. Almost instantly bids come at higher prices, not because any wheat goes from Winnipeg to Chicago, but because a merchant in London has placed an order to buy Canadian instead of United States wheat. What you see in front of you is not the frantic trading of a few score individuals buying and selling wheat on their own account; it is the world market in wheat brought to a focus before your eyes.

Another important thing to note about the market is the extent of trading in futures. Wheat trading is essentially a

(Continued on page 27)

Flows Where Wanted

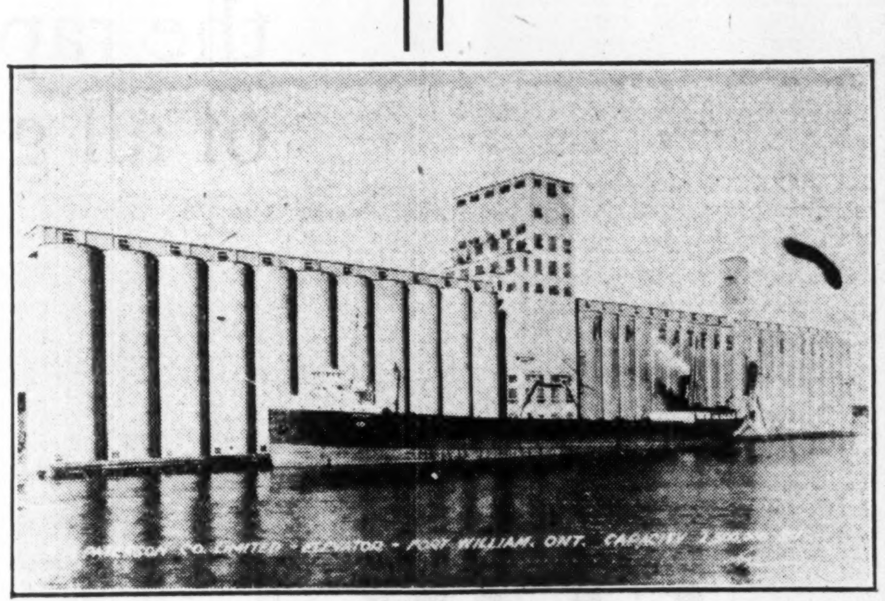
"Except for gold there's no commodity in commerce so fluid as wheat. It goes anywhere and may come from anywhere, and the slightest possible variations in prices or in freight rates frequently determine its destination."

N. M. Paterson & Company
Limited

Own and operate 109 Country Elevators with storage capacity of 3,150,000 bus.

Paterson Steamships
Limited

Own and operate on the Great Lakes 30 vessels.

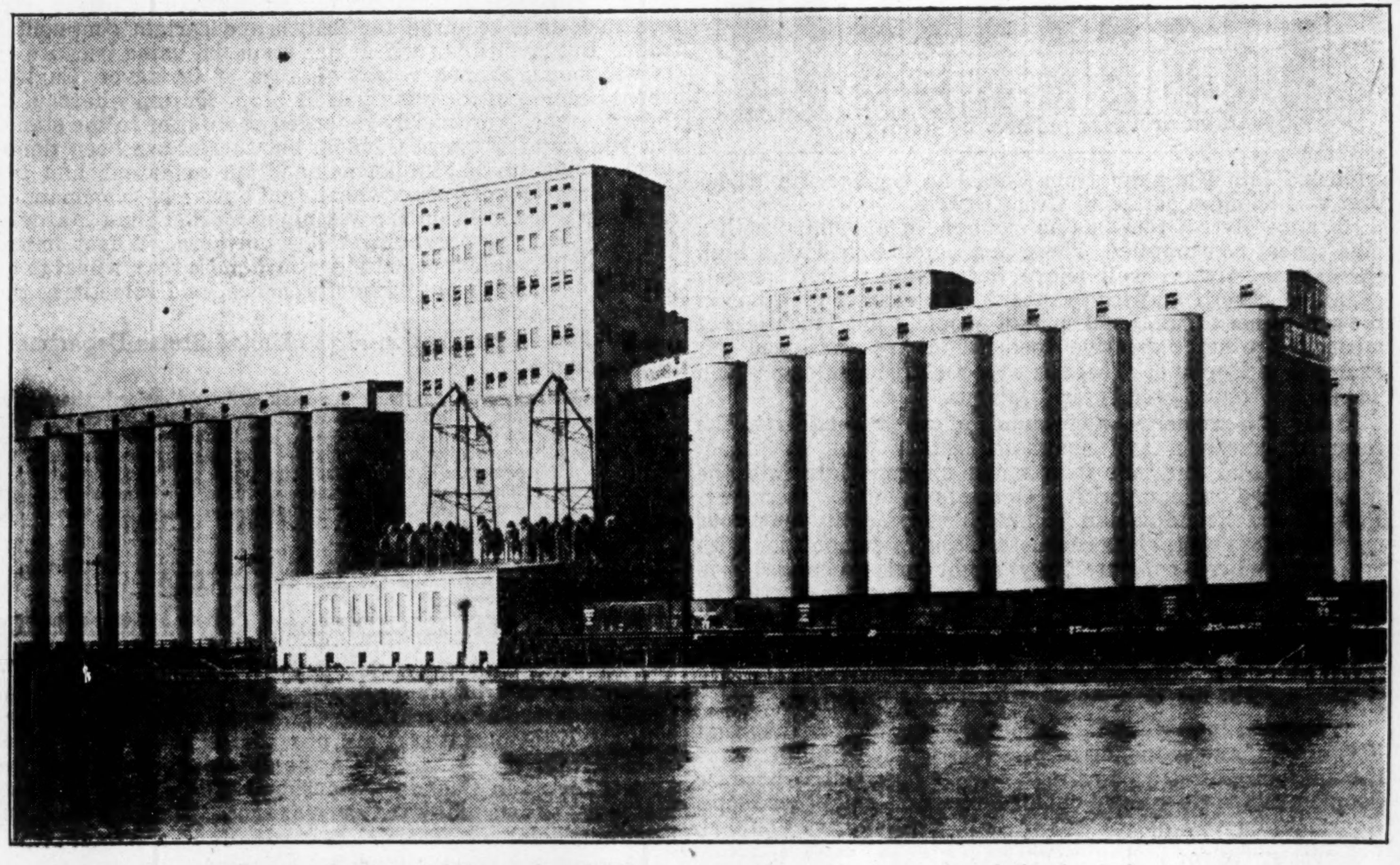


One terminal elevator in Winnipeg, two terminal elevators in Fort William.

Capacity 2,600,000

with total carrying capacity of 4,500,000 bus.

Head Offices: **FORT WILLIAM, ONT.**



One of our 3 Terminal Elevators located at the lakehead
for the service of the Western Grain Shipper.

FEDERAL Grain Limited owns and operates 348 country elevators situated throughout Manitoba, Saskatchewan and Alberta, and 3 terminal elevators at Fort William and Port Arthur, Ont. fully equipped for the rapid handling and cleaning of all grains in bulk.

Federal Grain Limited

Head Office: Winnipeg, Manitoba

Canada's Wheat Future

(Continued from page 25)

business of futures. Within a few weeks farmers in western Canada complete the threshing of a crop perhaps of five hundred million bushels. It will certainly be a year before the last of that wheat goes into consumption. The great bulk of it will not be reaching consumers for several months, but the farmer wants his money now. Because it can be sold for future delivery he can get immediate cash, in the country although it may be months before his wheat will reach a terminal market. Fortunately, the buyers also want to buy for the future. The ultimate consumer, the housewife who buys a loaf of bread for the family breakfast, makes no future transactions, but the miller and the baker do make them. The miller wants to be sure months ahead, that he will have wheat for grinding, and in due proportion for his mixture. He wants to be able to contract in advance for the sale of his flour.

It is the existence of the futures market that insures the existence of the immediate cash market for grain at all times. Almost equally important, it insures the loan value of wheat. The farmer, either as an individual or as a member of a group, can borrow money on his grain because of the existence of this market. Without it, he could hardly do so at all, or at best to a very limited extent, and at high cost. It is the existence of a market, instantaneously available, that makes bankers regard wheat as the best security in the world against which to make loans in large amounts.

How Prices Are Established

Another function of the open competitive market should be noted. It is there that authoritative prices are established. Without it there would be no means of ascertaining the price basis on which international transactions should be consummated. Statistics can be ceaselessly collected, production can be recorded or estimated in advance, the moisture in the ground can be measured, effects of frost and draught can be calculated. But without the market there is no individual, there is no institution, there is no possible establishment that can calculate the price at which wheat might reasonably sell. Consumers must pay enough to insure their wants being filled. Producers must sell low enough to dispose of their production. At what price are those things possible? Should wheat be at a dollar a bushel or at two dollars? Too high a price might ruin the producers if their product thereby becomes unsaleable. Too low a price will send consumers hungry if production should thereby fail.

Every event the world over that has any bearing upon the price of wheat, the demand for it, the production of it, or the ability of consumer to pay, is registered in the market. The most reliable report you can get of drought in the Argentine is not so reliable as the increased willingness of certain buyers to purchase wheat. Before you can calculate what effect a fluctuation in exchange will have on the demand for wheat in Italy, increased or decreased wheat buying on that account has taken place. You may forget that the price of silver has anything to do with the price of wheat, but there are some merchants who know that the fall in silver means decreased buying power in China. Their orders for flour are cancelled, wheat bought to make flour is again sold on the market, and the effect of the change is registered before most people know that the change has occurred. Labor troubles abroad are feared. You have no conception of the situation, perhaps only a few people know the truth. But increased buying comes into the market in order that supplies may be laid up in advance. A dockers' strike in Australia is likely to hold up wheat shipments. You may never hear of it, but someone whose business it is to know buys more Canadian wheat on that account.

In brief, no one person knows, or can possibly know all the forces and all the factors in the market. But thousands and tens of thousands of persons know their own business, or know the factors and forces that come under their own observation. They buy or sell in accordance with what they know, and the consensus of their knowledge and their opinion is registered in the open market, as it could be registered nowhere else.

Vast Sea of Wheat

"The wheat of Canada is part of that world sea of wheat. It is not only the supply that actually moves in international trade that constitutes the sea of wheat. The wheat that may be grown and eaten in the Punjab is as much a part of it as the wheat that finds its way to Liverpool. Like the drops of water in the sea every bushel exerts its pressure on its neighboring bushels, and the pressure spreads and equalizes throughout the whole."

The twenty wise men in Canada, given all the facts available might not, within twenty-five cents a bushel, arrive at a price at which the Canadian crop could be sold abroad, nor the twenty wisest in England be able to guess at what price it would be necessary to pay to get the nation's bread. It is only as the world forces which play on world prices act and react on each other as buying and selling proceed in the market, that the price which is the result of these forces is arrived at.

Works in Interest of All Groups

The efficiency of a market works for the interests of both buyers and sellers, and reduces the cost and the friction of doing business. The members of the Winnipeg market are justly proud of the high reputation that market enjoys throughout the world, the fact that merchants and millers, firms and individuals from one end of the world to the other send their orders there, in perfect confidence that they will be ably and honestly carried out, and that when, by a few words over a cable, they have entered into a contract, they know that contract will be completed.

Basic Meaning of It All; Where Canada's Hope Lies

SUCH is the picture of the present world wheat situation. What does all this mean for Canada? Does it mean that we have made a mistake in our national development, in building so much upon wheat? Does it mean that the expansion of the west must cease, that we must take a shrinking, instead of a growing place in the international commerce of the world? Does it mean that Canada, too must put her governments into the wheat business? Does it mean that we must strive for higher prices, to offset decreasing quantities that may be sold? Does it mean that the appeal of "mixed farming" is to be preached to the farmers of Western Canada that we may look forward to replacing wheat production with some other agricultural activity? Looked at sanely, the situation leads to none of these conclusions, nor is it by any means a hopeless one.

It is necessary to keep in mind the essentially competitive nature of the business of producing wheat for world markets. Fortunately this country is well equipped for such competition.

Our Natural Advantages Are Great

Western Canada has great natural advantages in soil and climate for the production of high grade wheat. Without them we should never have seen the great expansion of wheat growing which took place since the beginning of this century. Our farmers are as intelligent, as efficient, as quick to adapt themselves to conditions and to methods, as any with whom they compete. Our yields per acre, although they fall short of some of those experienced in Europe under intensive farming, are high compared with other great wheat growing areas. Our yield per man is remarkably high. If there has been overproduction of wheat in the world, some wheat land and some farmers, will be forced to retire from the business, but we do not need to fear that these will be Canadian acres or Canadian farmers.

Against the competition that now exists, the Canadian farmer needs to keep his production costs as low as possible, for it is the land, and the farmer, with high producing costs that will have to retire. Mainly this is the farmer's own business, and he will doubtless attend to it satisfactorily. But he also needs the sympathetic assistance of the whole country, for it is emphatically the business of the whole country, in keeping down his costs. Interest rates, transportation costs, and the burden of tariffs are all matters that require to be considered in this light.

Improvement in Basic Features

There is no reason to fear that our great competitors, the Argentine, the United States and Australia can beat us in production costs. The two latter are committed to policies that tend to make production more expensive for their farmers. In other respects, and particularly in yields per acre, we have many advantages over the Argentine.

There are grounds, too, for hoping for some improvement in the fundamentals of the situation. There may be a switch in the United States of a good deal of acreage from wheat to other crops. Italy may discover that after all her farmers can produce the olive and grape to better advantage than wheat, and may be glad again to import freely. Improving conditions in Germany would cause a greater demand for wheat instead of rye. There are possibilities of expanding markets for both wheat and flour in China, Japan and in tropical and South American countries.

Mixed Farming Has its Limitations

The idea that any solution of wheat problems is to be found by persuading western farmers to abandon wheat production in favor of other forms of farming demands a word or two. Undoubtedly increased production of cattle, sheep and hogs in Western Canada is desirable. So, too, is increased dairy production, and greater production of eggs and poultry. All these things have their place, and are being attended to by western farmers. But in themselves they offer no solution whatever of the wheat problem. Western farming is based upon wheat, and if it is to continue it must continue for a long time upon that basis. Other things must be the accompaniment of, and not substitutes for wheat production. There is no market or outlet in sight that would absorb the produce of western farms should any wholesale attempt be made to abandon wheat for production of other commodities.

High Prices Not Solution

Nor, it has been made plain by the course of events, is a solution of the farmers' problem, or rather Canada's problem, for it is the problem of the whole country, to be found in high prices. High wheat prices, and it is essential that this should be frankly recognized, are not likely to prevail over any considerable length of time. There is, too, much land in the world that may be used for wheat, there are so many other foods that may be used in substitution for it, the possibilities of expanding acreage and of decreasing consumption have been too well demonstrated, to leave hope for extravagantly high wheat prices. High prices will come temporarily again, no doubt, as they have come in the past, due to some brief world scarcity, and it is to be hoped that at such times we shall have good crops in order to take full advantage of them. But we cannot hope to base our expectations and our plans upon any long continuance of such a condition.

It is also quite clear that we cannot afford to encourage, either in Canada or elsewhere, talk of efforts to impose our will in respect to prices upon consumers. We have had too clear a demonstration of the reaction of consumers to such ideas, and the defensive measures they can bring into play. Consumers will willingly pay a much higher price under open market competitive conditions than when they suspect that any artificial measures are being used to enhance prices against them.

This brings us to the question of marketing, a question that must be clearly and frankly faced. No matter how estimable the desire may be to get a high and very remunerative price for Canadian farmers, we must realize that if we are going to grow and to continue to grow wheat for export we must be prepared to sell it in the world's market, and in doing so to meet the world's competition in price. If we want to stay in the business we must realize that no government or combination of governments, no pool or combination of pools, no matter how prices may be temporarily affected, can get us a price above what the world's competitive markets will pay.

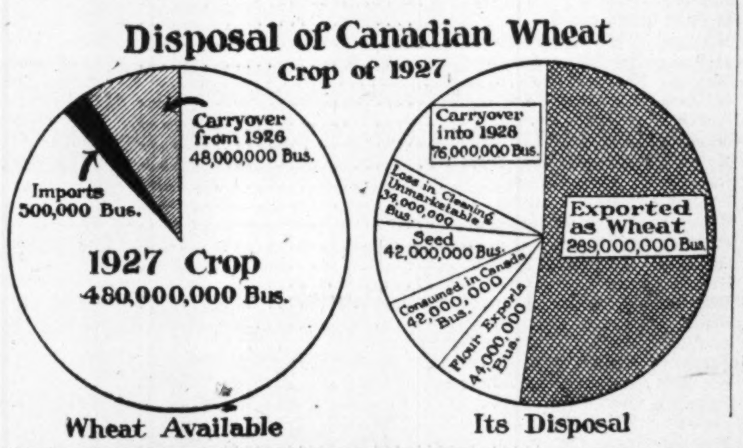
In marketing, it is the open, competitive world market and the fullest use of it by all Canadian marketing agencies that holds the only promise for Canada, the only hope of disposing of all the wheat we want to sell. It is clear that we should avoid intrusion of the Dominion or provincial governments into the marketing field. Such government interferences as have been noted work against our interests, and greater interferences would hold still greater dangers. If the situation were fully realized there would be prompt abandonment of the campaign in Saskatchewan for what is called "compulsory pooling," inevitably bringing, as is clearly recognized in Australia, government participation in the business of marketing. Even the provincial government guarantees recently undertaken in Western Canada are to be looked upon with disfavor from this angle, not because of their intrinsic importance, but because they might lead to further government action.

We Benefit Most from Open Market

As the world's principal exporting country, we want the broadest and most open market that can possibly exist. If that fact is not clearly recognized it will be easy for this country to make the situation worse. For example, when the idea of a British Wheat Control Board was first advanced, it was welcomed in some circles in Canada, where the notion was seriously entertained of the producers' representatives or the Dominion Government bargaining with the British Government over the price to be paid for the coming year's supplies. It is worth thinking what such a condition might lead to in respect to goodwill between Canada and Great Britain in alternating years when the prices so settled might be too high to the British workingman or too low to the Canadian producer. The possibilities of Canada being underbid in such transactions from the United States, from Australia, from the Argentine or from Russia, are also sufficiently disturbing. And we should reflect, too, that even if we obtained the whole British market, by such means we should still have to sell, in ordinary years, one or two hundred million bushels in other countries by some other means. The attempt to negotiate such commercial transactions direct between the Government of Canada or the pool and the governments of Italy, Germany, France, and a score of other countries, against the competition of the United States government through its Farm Board, would bring in its train grave dangers to international friendships. But that is exactly the sort of thing that will have to be faced if instead of an open market we choose the road that leads to a closed one.

Disposal of Canadian Wheat

Crop of 1927



Getting Back Our Lost Goodwill

On such a market, too, it is easier to cultivate, and to regain, to whatever extent it may have been lost, the goodwill of those who buy Canadian wheat. It is not easy to reach the ultimate consumer, but to whatever extent he has been deliberately reducing wheat consumption he may be won back if he feels assured there are no efforts being made to obtain more than open market prices. Still more important is the goodwill of the merchants and millers. (Such attacks, for example, as have been seen in Canada upon the alleged British "milling trust" are to be deprecated, for they do not make it any easier to sell wheat to the millers in question.) There can be no better way of maintaining the goodwill of merchants and millers than our demonstrated willingness to do business with them on the open market on the basis of competitive prices. We want even more than their goodwill, we want their active assistance in making full use of every opening that exists for our wheat and in opening up new ones.

Service of Merchants in Grain Distribution

No Canadian government agency, no organization that we can create in Canada can be half so efficient in finding a market for the hundreds of millions of bushels of wheat we have to sell, as can the millers and merchants of grain throughout the world. If a merchant in Singapore, or one at Hamburg, or at Liverpool, knows of a miller to whom some Canadian wheat might be sold, we want him working to that end. If there is a mill either in Java or in Rio de Janeiro which might be induced to put Canadian wheat into its flour mixture, we need a merchant working to sell him Canadian wheat. If any merchant is already selling Australian, Argentine, Indian or Danubian wheat, we want him selling Canadian wheat, too. Otherwise, we are likely to find that his customers are provided for from other countries than Canada. There are great milling combines, it is true, who need no intermediary in their buying and can be relied on to buy Canadian wheat whenever it is available at a price corresponding to its comparative milling value. But there are also hundreds and even thousands of millers to whom Canadian wheat can only be sold through the customary channels of trade to which they have been used perhaps for generations. To throw away the help of the merchants through whom such millers can be reached is to throw away a large part of the market we need to absorb our wheat.

Similarly it is important that we preserve and use to the full our facilities for future buying and selling, and conducting hedging operations, if we are to secure the full co-operation of the merchants and the service we can get nowhere else. It would be madness to follow suggestions such as have actually been made for legislation that would limit the free operation of the market and would destroy its usefulness.

Always Buyers in Open Market

So long as we use and maintain our market free, open and competitive, and free from artificial influences and restraints, we can depend upon buyers. So long as buyers come to the open market for supplies, and bid against each other, we can depend upon establishing the best available prices under any given conditions.

If we can maintain the free and open world markets for wheat, if we can maintain our producing costs upon a competitive basis, Canada can face the world wheat situation, serious though some of its aspects undoubtedly are, not only with confidence, but in the reasonable hope of being able to play in the future a still larger part in the world's wheat trade.

TILT GRAIN CO.
Limited

WINNIPEG

Members:

Chicago Board of Trade

New York Produce Exchange

Winnipeg Grain Exchange

British Empire Grain Company Limited

Grain Shippers and Exporters

GRAIN EXCHANGE, WINNIPEG

Elevator Is Essential Unit in Canada's Grain Machinery

Lines of Country Elevators Operate on Small Margin of Profit Because Hedging Against Price Fluctuations is Possible

Canada Has Grain Storage Capacity for More Than 350,000,000 Bushels of Grain at One Time—Functions of Country Elevator, Public Elevator and Private Elevator Are Outlined—Mixing is Necessary Because of Multiplicity of Grades Grown by Farmers

Canada's grain storage and handling facilities are showing steady increase year by year. There is room to store more than 390,000,000 bushels of grain in Canada at one time, and, when construction is completed of some large terminals now under way or projected, total grain storage capacity will exceed 400,000,000 bushels.

Some idea of what this involves can be had from the fact that this is just about the average of the 1928 and 1929 wheat crops.

Grain storage capacity in Canada has shown notable growth, especially since the war as grain acreage has expanded. This is shown in the following figures:

Crop Year Ended	No. of Elevators	Capacity Bushels
1901	*523	18,329,352
1906	*1,109	50,453,200
1911	*1,942	105,462,700
1916	*3,078	180,988,000
1921	3,855	231,213,620
1926	4,416	281,746,560
1927	4,558	284,818,200
1928	4,823	310,832,200
1929	5,481	358,254,790
1930	5,781	394,594,210

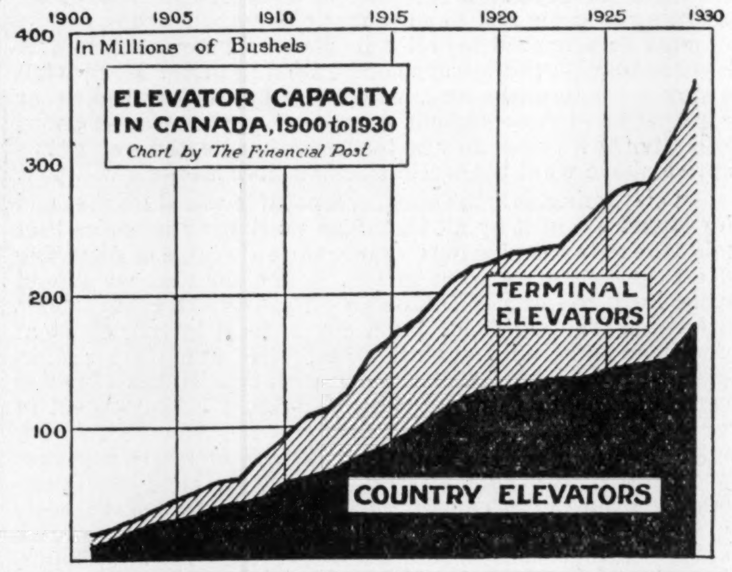
* Includes warehouses.

Country Elevators and Grain Storage Houses

There are two main types of grain storage accommodation. The first type is the country elevator, located to the number of more than 5,000 along the railway lines of Western Canada, and providing the immediate point of contact for the grain grower with the great distributive machinery of the world's grain trade.

The last figures of the Board of Grain Commissioners give the following totals for country elevators in Canada:

	Stations	No. of Elevators	Capacity Bushels
Manitoba	383	743	24,130,400
Saskatchewan	1,067	3,198	104,006,050
Alberta	569	1,707	64,647,000
British Columbia	2	2	35,000
Ontario	1	1	40,000
Total	2,022	5,651	192,858,450



As each of the elevators would cost from $10,000 to $15,000 to duplicate, the capital invested in country elevators in the West cannot be far short of $60,000,000.

Most of these country elevators are operated in "lines" by large grain-handling organizations. The pools are the largest owners and operators of elevators, having built a great many new ones in recent years and acquired some others by outright purchase.

The larger elevator chains in 1928 and 1929 were as follows:

Line Companies With 10 or More Elevators

	1928	1929
Alberta Pacific Grain Co.	327	363
N. Bawlf Grain Co.	111	109
Beaver Elevator Co.	30	29
British America Elevator Co.	115	121
Brooke Elevator Co.	51	55
Canadian Consolidated Grain Co.	—	*135
Central Grain Co.	53	55
Ellison Milling & Elevator Co.	15	18
Fraser Grain Co.	9	12
A. Forsythe & Co.	10	12
Federal Grain Co.	79	86
Gillespie Grain Co.	58	60
Gold Grain Co.	13	14
Home Grain Co.	88	110
International Elevator Co.	48	44
Independent Grain Co.	16	17
Liberty Grain Co.	29	37
Malden Elevator Co.	13	13
Midland & Pacific Grain Corp.	34	35
McLaughlin Elevator Co.	41	48
McCabe Elevator Co.	16	15
National Elevator Co.	110	113
North Star Grain Co.	97	99
Northern Elevator Co.	75	69
N. M. Paterson & Co.	99	100
Parrish & Heimbecker	30	41
Peaker Gibson Grain Co.	26	24
Province Elevator Grain Co.	92	141
Pioneer Grain Co.	154	169
Saskatchewan Elevator Co.	78	98
Searle Grain Co.	33	39
Standard Elevator Co.	32	30
State Elevator Co.	77	76
Saskatchewan & Western Grain Co.	44	45
Stewart Grain Co.	20	24
Scottish Co-operative Wholesale Society	14	10
Spencer Grain Co.	43	45
Security Elevator Co.	118	118
Topper Grain Co.	29	28
Union Grain Co.	22	24
Victoria Elevator Co.	61	90
Wiley, Low & Co.	28	28
Western Elevator Co.	65	65
Wheat Pool Elevators		
Manitoba Pool	57	145
Alberta Pool	159	307
Saskatchewan Pool	723	930
Private Company, Farmer-owned		
United Grain Growers Co.	360	417
Milling Companies		
Lake of Woods Milling	114	114
Maple Leaf Milling	54	54
Ogilvie Flour Mills	160	156
Quaker Oats Company	19	19
Western Canada Flour	87	85

* Merger in 1928.

Provide Local Grain Market

The country elevator owned by a line elevator, milling company or other grain interest, is the first point of contact between the grain grower and the grain trade. The farmer brings his wheat to the nearest railway station. At this station the elevator agent is the man with whom he deals. He may sell his grain direct to the elevator; he may, on the other hand, merely use the facilities of the elevator for storage or for shipping. To a large extent, though, the country elevator may be regarded as the local grain market. It furnishes facilities for weighing, for short time storage and shipping. But its important function is to buy grain. It is the magic medium that brings the wheat markets of the world to the door of the western farmer.

In most cases—wheat pool elevators being among the exceptions—country elevators have been built by grain buyers. They exist to enable him to weigh, handle and ship his own purchased grain. The operator stands at all times ready to buy grain direct from any farmer who desires to sell and to buy it at the current "street" price. We will discuss the making of this price later. The country elevator is a market for the grain hauled direct from the farm by the wagon load, or in these mechanized days, the truck load. It marks a great advance upon the primitive system of the early days when wheat was brought to the railroad in sacks and stored in sheds.

Cash on Spot for Farmer

The method of buying is simplicity itself. The operator and farmer agree upon the grade of the grain and the price. The grain is unloaded, weighed and run into the bin. The farmer receives a cash ticket in a form that has been prescribed by the Parliament of Canada. He takes this cash ticket to the paying agent of the elevator operator, usually the local branch bank or a merchant, and receives cash. His transaction is completed and he has his money.

This is the picture when the farmer sells to the elevator company: In the case of grain delivered by a pool farmer, the elevator company makes the initial payment, as established by the pool, in cash to the farmer, and finances this grain with its own money until the grain is delivered at the terminal point. Here it is turned over to the pool, and they reimburse the elevator company for the initial payment made, plus the handling margin agreed upon. Any subsequent payments the pool may declare are paid direct to the farmer during the following year. Thus the farmer only gets part of the sale price of his grain in cash.

Farmer May Ship on Own Account

If a farmer decides not to sell his wheat, but wishes to store it in the hope of obtaining higher prices, he may ask the elevator operator to issue him storage receipts. Or the farmer may prefer to ship his wheat himself if he has a carlot or more; in this case he will ship it forward to the terminal markets, and the cars will be graded by the government inspector at some inspection point such as Winnipeg, Calgary, or Edmonton.

In cases where the farmer and the elevator operator cannot agree as to the correct grading of the grain, the law provides for the taking of an average sample by both the interested parties, same to be sent under seal to the chief inspector at Winnipeg. Then the grading of the parcel is determined by the inspector's grading of the sample.

Law provides that operators must make their facilities available to all farmers at prescribed fees even if the farmer later sells his grain to a rival dealer. The Government of Canada looks upon the elevators as public utilities and prescribes the most stringent regulations governing their operations, besides making them "common carriers," forced to serve all who come. Some time ago, a United States government publication remarked with absolute truth: "It is well within the mark to say that in no other country are farmers given, by law, the wide privilege in respect to the use of elevators they do not own that they enjoy in Canada."

Chief Function is Buying

The warehousing function is subsidiary to the merchandising function in the business of the country elevators. Experience has shown that there is not a big profit and there may easily be a loss in the warehousing operations of country elevators at the rates set by the Government. The country elevator is primarily a buyer's plant, built by the grain buyer to enable him to collect from many different points a sufficiently large quantity of grain to fill his needs. The grain buyer considers the country elevator merely one unit in his chain of service. On the combined operations of his country elevator and his terminal elevator he hopes to make money. But the individual country elevator may be a losing proposition. The country elevators are feeders.

The biggest service of the country elevator to the farmer is the provision of this immediate cash market for his grain and at the nearest shipping point to his farm. The next service is to provide him with facilities for shipping his grain if he is not prepared to sell.

Always a Cash Market

There is no day in the year when the farmer cannot sell any grain he has on hand and collect his money. And he is always assured of a square deal. Competition between grain companies assures that. And government regulations mark the lines the transactions must follow. Government bodies fix the standards for grain. The press, the radio and the telegraph wires keep him posted as to the price of grain. The railway rates are fixed so that he knows what deduction must be made from the current quotation to allow for freighting his grain to the point where the prices all become uniform. The market is highly competitive. The farmer does not have to accept the price offered if he thinks wheat is low on the day he reaches the market. He can store his grain and receive an advance from the elevator man, or, as explained, he can ship it to the terminal elevator himself.

Grain in the country warehouse is good bank security, and each year the banks of Canada lend enormous sums upon this grain. In addition to their own working capital, the line elevator companies must have large lines of credit from the banks to finance the grain they purchase until such time as they ship this grain to the terminal markets and turn it into cash.

Then, again, the elevator companies advance enormous

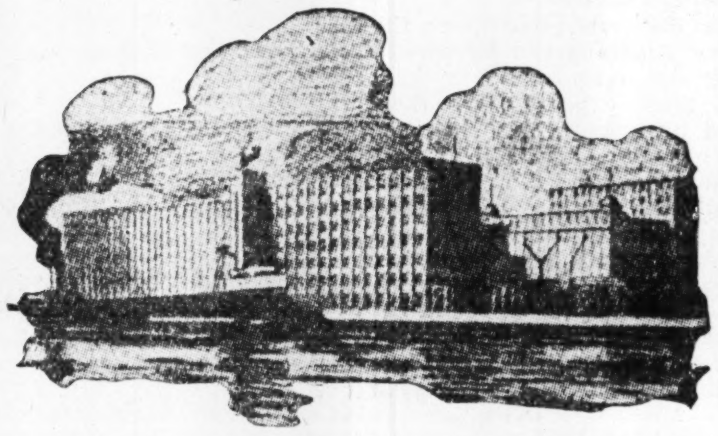
(Continued on page 29)

MAPLE LEAF MILLING CO., LIMITED

HEAD OFFICE TORONTO, ONT.

Officers:
JAMES STEWART
President
C. W. BAND
Vice-President
H. J. SYMINGTON
Vice-President
A. R. MACDONALD
General Manager

Directors:
E. R. DECARY
R. COOPER
D. L. CAMERON
J. L. HENDERSON
R. S. WALDIE
F. W. RIDDELL



Port Colborne, Ontario, Mill—The largest in the British Empire—With a daily capacity of 14,000 barrels.

The Maple Leaf Milling Co., Ltd., owns and operates seven mills—at strategic locations throughout Canada—with a total daily capacity of 24,500 barrels of flour and 17,000 bags of feed.

Branch Offices and warehouses at

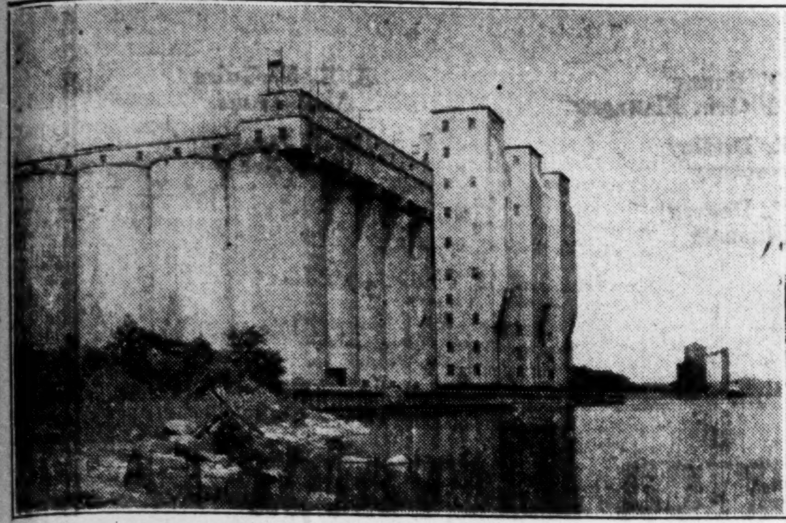
TORONTO, HAMILTON, WELLAND, LONDON, BELLEVILLE, OTTAWA, WINDSOR,
MONTREAL, QUEBEC, ST. JOHN, N. B. HALIFAX,
WINNIPEG, REGINA, CALGARY, KAMLOOPS, VANCOUVER, NEW YORK

Mills at

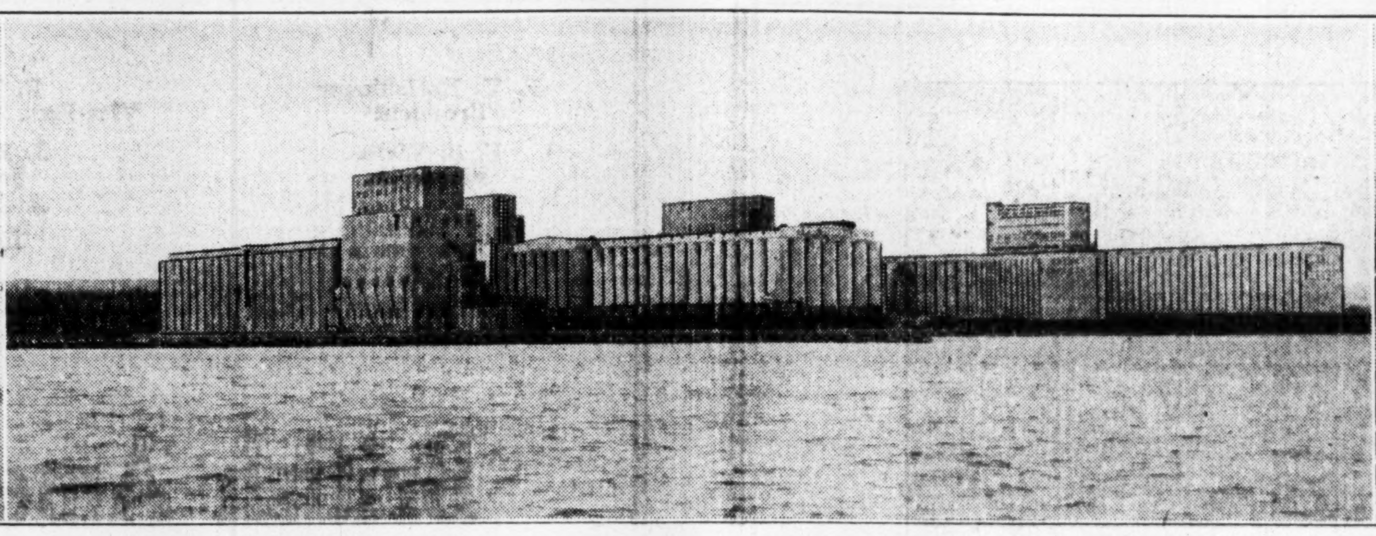
PORT COLBORNE, ONTARIO; TORONTO, ONTARIO; KENORA, ONTARIO; THOROLD, ONTARIO;
MEDICINE HAT, ALBERTA; BRANDON, MANITOBA; PETERBORO, ONTARIO;

"A World Wide Organization"

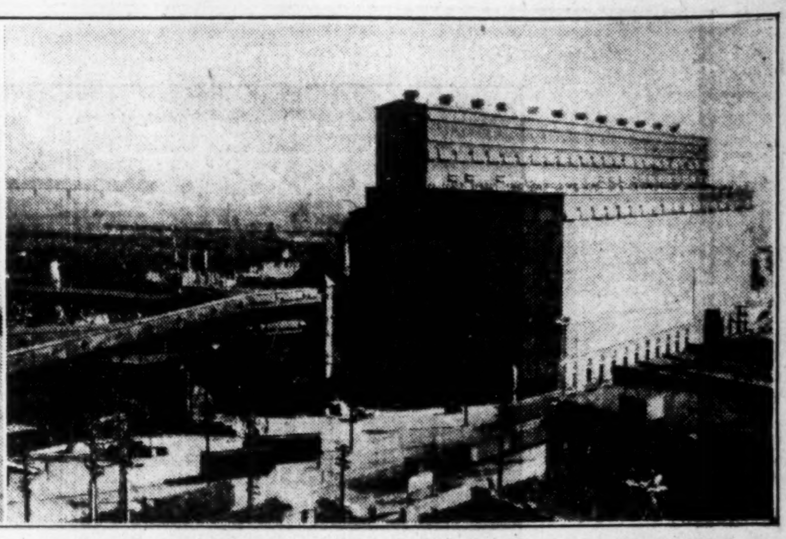
Giant Elevators That Handle Prairie Grain on Its March to Export Markets



A Georgian Bay port elevator, one of many which trans-ship grain from lake boats to cars for rail movement to the eastern sea-board. This is the C.N.R. elevator at Midland.



Nowhere in the world but at Port Arthur-Fort William can a sight like this be seen. Here are four of the world's largest elevators side by side. From left to right they are: Jas Richardson & Sons, 3,500,000 bus.; Pool Terminal No. 4, 6,600,000 bus.; Union Terminal, 1,200,000 bus., and United Grain Growers, 5,500,000 bus.



—Photos by Canadian National Railways

Montreal retains its position as the world's largest grain shipment port. It handles much American as well as Canadian grain. This is one of the Montreal Harbor Commission's four large elevators.

Elevator Is Essential Unit

(Continued from page 28)

sums of money to farmers who do not wish to sell outright for cash at the time, but who wish to store their grain for the object of obtaining higher prices later on.

When the elevator companies borrow, they secure their loans by deposit with the bank of negotiable papers that are receipts for the grain in store. The banks are interested, however, in maintaining the financial position of their borrowers and in insuring themselves against loss in their security. They, therefore, demand as a pre-requisite that the borrower shall "hedge" his purchases; that is, as he buys grain from the farmers day by day, he must sell an equivalent amount for future delivery at the time his grain is likely to reach the market. As the elevator operator secures cars he ships his purchased grain, sells it at the spot or cash price and buys back his futures.

Future Trading is Essential

It is apparent from this that trading in futures on the grain exchange is a valuable and essential feature of the operation of the public utility of the grain trade. The cost of "hedging," in commissions and margins, is but a small tax to pay for the stability provided.

The price paid for grain at a country elevator is the Fort William or Vancouver price, less allowance for freight to these points and a sum sufficient to cover the cost of handling the grain in the country elevator, provision for the risk of loss in grades, and a reasonable profit to the country elevator.

So efficient is the operation of country elevators that the average of all the last three items together is only about four cents a bushel, which includes all expenses (except freight) from the time the grain is put in the country elevator until it is delivered at Fort William. If the elevator companies were freed to assume the risks of price fluctuations this spread would have to be much larger. Thus the existence of the futures market, which permits hedging on price insurance, enables the companies to pay to farmers from five to ten cents a bushel more for their grain than they could otherwise allow.

The country elevators are all licensed by the Dominion Government. Their every activity is hedged about by stringent regulations and all of their charges are fixed by law. No other public utility in Canada is under such strict control.

Function of Large Grain Storage Houses

Beyond the country elevators stands the system of terminal elevators. These giant grain houses include some of the largest in the world, one at the Head of the Lakes having storage capacity of 7,500,000 bushels of grain. They perform numerous important functions, such as providing storage space for grain for short or long periods, handling grain between railway cars and lake or ocean boats, cleaning, drying and blending grain to prepare it for markets and raise its value—all essential steps in getting the crop to market.

There are three very important grain elevator centres in Canada, one at the Head of the Lakes, in the cities of Port Arthur and Fort William, where there is storage capacity of 72,540,000 bushels, in 32 elevators; another at Montreal where there is storage capacity of 12,160,000 bushels in four elevators, and a third at Vancouver-New Westminster where there is storage capacity of 8,245,000 bushels in twelve elevators. At the Head of the Lakes and at Vancouver large increases in capacity are being effected by new construction.

These large storage elevators have up to the present time been divided into two chief classes—public elevators and private elevators. The new Canada Grain Act aims to make provision for a third-class—semi-public elevators.

Public Elevator is Warehousing Proposition

The public elevator is primarily a storage and warehouseman's proposition. They are operated by various groups—the railways, the Dominion Government, the private companies. They only store and handle grain. They will perform this service for anyone offering grain to them. For fixed fees, established by the Board of Grain Commissioners, they will take grain into the elevator, dry it, clean it, store it or load it into train or boat. The profits in public elevator operation are made chiefly in putting through a large volume of grain. Few of the elevators at the Head of the Lakes or in Vancouver are public elevators. The ones on the prairies are government elevators, chiefly useful as transfer elevators. All the Georgian Bay port, Montreal and Maritime elevators are public elevators.

Where the word "terminal" is affixed to the word "public" in the designation of an elevator it signifies that the elevator is one where grain is inspected.

For the crop year 1929-1930, the public elevators have the following capacity:

Public Terminal Elevators

	No.	Capacity Bushels
Ontario	5	24,867,210
Saskatchewan	2	7,000,000
Alberta	2	5,000,000
British Columbia	2	3,100,000
Non-Terminal Public Elevators		
Bay Ports and Lower Lakes	16	41,900,000
Montreal	6	16,312,000
Quebec	1	4,000,000
Sorel	1	2,000,000
Saint John, N. B.	3	2,200,000
Halifax, N. S.	1	2,100,000
	39	113,479,210

Private Elevators Own All Grain Stored

The private elevators are in a different class. In the case of one of these houses all the grain taken in and handled is owned exclusively by the owner of the house. Physically, the elevator may be exactly the same type of structure, but its job is to handle grain purchased outright by the owner. That owner may be a private grain company; it may be the wheat pool; it may be a milling company; it may be a farmer-owned company. Where a public elevator operates to earn warehouse fees only, a private elevator depends largely upon commercial profits. One source of profit may be in the blending of different grades of grain to make a single blend or grade that will meet the needs of some purchasers or that will grade higher or have a higher market value than the average of the grain used for the purpose.

Canada produces a vast variety of types and grades of grain. Canada is now producing, by, actual count, more than 2,600 grades of wheat. Since the millers want only eight or ten grades, and exporters only six, it is obvious that conditioning and mixing of the wheat to suit the market is necessary. This question, it will be recalled, was thoroughly discussed in the 1929 grain number of The Financial Post by Prof. James E. Boyle, who said in part:

> "As the Canadian wheat belt is pushed northward into the bush country, and on northward some hundreds of miles north of the 49th parallel, new convictions arise and new weather hazards for the wheat crop. These new conditions and new hazards cause variations in the quality, the conditions, or the cleanness of the wheat, and so affect its grade. Canada has now come to have by far the greater number of wheat grades of any country in the world, the number being over twenty times those in the United States.
>
> "While the pool was handling 216 grades of wheat of the 1927 crop, the terminal elevators were receiving many more grades than that, in fact more than twice that many. The public elevators at Fort William and Port Arthur received 85,000,000 bushels of wheat, of 63 different grades. The private elevators at the same points received 197,000,000 bushels of wheat of 481 different grades. But here is the most interesting and most important fact from both the production and marketing standpoints—451 of the grades were represented by small amounts of wheat, that is, less than 50,000 bushel lots. In other words, there were thirty grades representing lots of wheat varying from 50,000 bushels upward to 48,000,000 bushels;

(Continued on page 31)

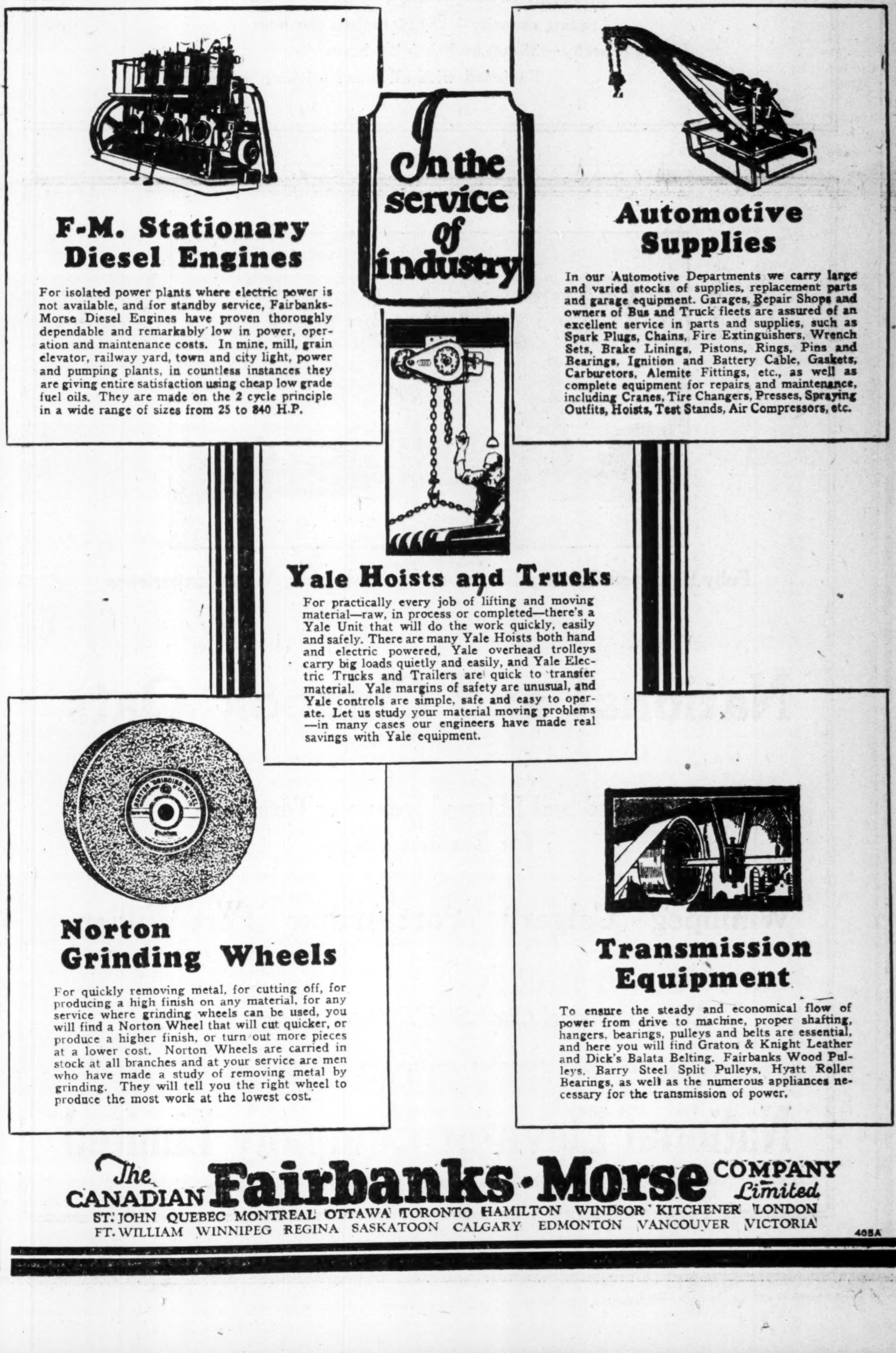
Canada's Terminal Elevators System

(Apart from Country Elevators)
(Including only Elevators of 100,000 Bushels or More Capacity,
corrected to April 22, 1930)

ONTARIO
Fort William-Port Arthur)

	Bushels Capacity Fort William	Bushels Capacity Port Arthur
Public Terminal Elevators—		
G.T.P. Elev. Co., Ltd.	5,750,000	....
Canadian Government Elevator	....	3,250,000
Sask. Pool Terminals, Ltd., No. 6	....	7,398,800
Sask. Pool Terminals, Ltd., No. 4	....	6,568,410
Sask. Pool Terminals, Ltd., No. 7	....	6,900,000
Private Elevators—		
Northland Elev. Co., Ltd.	7,500,000	....
Sask. Pool Terms. Ltd., No. 8	2,500,000	....
The Ogilvie Flour Mills Co., Ltd.	3,000,000	....
Federal Grain Ltd. (Consolidated)	1,750,000	....
Federal Grain Ltd. (North Western)	3,000,000	....
Fort William Elevator Co., Ltd.	1,750,000	....
Western Grain Co., Ltd.	3,100,000	....
N. M. Paterson & Co., Ltd. ("O" and Annex "K")	2,500,000	....
Electric Elev. & Grain Co., Ltd.	1,000,000	....
The Canadian Cons. Grain Co., Ltd.	1,750,000	....
Searle Terminal, Limited	3,000,000	....
Sask. Pool Terminals, Ltd., No. 5	....	2,100,000
Manitoba Wheat Pool No. 2	....	1,375,000
Manitoba Wheat Pool No. 1	....	1,300,000
Union Terminal, Limited	....	1,200,000
Eastern Terminal Elev. Co., Ltd.	....	3,500,000
The Canadian Cons. Grain Co., Ltd.	....	1,500,000
Federal Grain, Ltd.	....	2,250,000
Bawlf Terminal Elev. Co., Ltd.	....	2,350,000
Superior Elevator Co., Ltd.	....	900,000
Reliance Grain Co., Ltd.	....	3,800,000
United Grain Growers' Terminals, Ltd.	....	5,500,000

Keewatin	
Private Elevators—	
Lake of the Woods Milling Co., Ltd. (2)	1,300,000
Kenora	
Private Elevator—	
Maple Leaf Milling Co., Ltd.	450,000
Port McNicoll	
Public Elevator—	
Canadian Pacific Railway	6,500,000
Toronto	
Public Elevator—	
Toronto Elevators, Ltd.	2,000,000
Collingwood	
Public Elevator—	
Collingwood Terminals, Ltd.	2,000,000
E. R. Bacon Grain Company	150,000
Depot Harbour	
Public Elevator—	
Stratton Grain Company	1,650,000
Midland	
Public Elevator—	
Canada Steamship Lines, Ltd.	4,000,000
Midland Simcoe Elevator Co., Ltd.	4,000,000
Port Colborne	
Public Elevator—	
Canadian Government Elevators	3,000,000
Maple Leaf Milling Co., Ltd.	2,250,000
Sarnia	
Public Elevator—	
Sarnia Elevator Co., Ltd.	3,000,000
Tiffin	
Public Elevator—	
Canadian National Railway Co.	4,500,000
Aberdeen Elevator Co., Ltd.	1,000,000
Goderich	
Public Elevator—	
Goderich Elev. & Transit Co., Ltd.	3,000,000
Western Can. Flour Mills Co., Ltd.	600,000
Kingston	
Public Elevator—	
Jas. Richardson & Sons, Ltd.	250,000
Owen Sound	
Public Elevator—	
Great Lakes Elevator Co., Ltd.	4,000,000
MANITOBA	
Portage La Prairie	
Private Elevator—	
Lake of the Woods Milling Co.	125,000
Lake of the Woods Milling Co., Ltd. (Elev. E)	100,000
St. Boniface	
Private Elevators—	
N. M. Paterson & Co., Ltd.	135,000
Manitoba Wheat Pool	125,000
Western Canada Flour Mills, Ltd.	750,000
Winnipeg	
Private Elevator—	
Ogilvie Flour Mills (2)	575,000
Canada Malting Co., Ltd. (Manufacturing elevator)	1,192,000
Transcona	
Private Elevators—	
Dominion Malting Co., Ltd.	1,000,000
Federal Grain, Ltd.	1,000,000
SASKATCHEWAN	
Moose Jaw	
Private Elevators—	
Robin Hood Mills, Ltd.	1,710,000
Public Terminal Elevator—	
Canadian Government Elevators	3,500,000
Saskatoon	
Private Elevators—	
Quaker Oats Co.	1,180,000
Robin Hood Mills, Ltd.	1,380,550
Public Terminal Elevator—	
Canadian Government Elevators	3,500,000
ALBERTA	
Calgary	
Private Elevators—	
Western Canada Flour Mills (2)	575,000
Robin Hood Mills, Ltd.	600,000
Alberta Pacific Grain Co., Ltd.	250,000
Spillers Canadian Milling Co., Ltd.	520,000
Calgary Terminal Grain Co., Ltd.	140,000
Canada Malting Co., Ltd. (manufacturing elevator)	650,000
Public Terminal Elevator—	
Canadian Government Elevators	2,500,000
Edmonton	
Private Elevators—	
Ogilvie Flour Mills Co., Ltd.	125,000
Gillespie Grain Co., Ltd.	100,000
Public Terminal Elevator—	
Canadian Government Elevators	2,500,000
Medicine Hat	
Private Elevators—	
Lake of the Woods Milling Co., Ltd.	225,000
Ogilvie Flour Mills Co., Ltd.	400,000
Hedley Shaw Milling Co., Ltd.	500,000
BRITISH COLUMBIA	
Vancouver	
Public Terminal Elevator—	
Pacific Terminal Elev. Co., Ltd.	2,100,000
Private Elevators—	
Midland Pacific Terminal, Ltd.	1,500,000
Alberta Pool Elevators, Ltd.	1,650,000
Vancouver Terminal Co., Ltd.	2,250,000
Burrard Elevator Co., Ltd.	1,630,000
Buckerfield's, Ltd. (manufacturing elevator)	365,000
Vancouver Milling and Grain Co., Ltd.	200,000
Columbia Elevator Company	150,000
Alberta Pool Elevators, Ltd.	5,150,000
Victoria	
Public Terminal Elevator—	
Panama Pacific Grain Terminal, Ltd.	1,000,000
Prince Rupert	
Private Elevator—	
Alberta Pool Elevators, Ltd.	1,250,000
New Westminster	
Private Elevators—	
Fraser River Elevator, Ltd.	700,000
British Columbia Distillery Co., Ltd. (manufacturing elev.)	150,000
QUEBEC	
Montreal	
Public Elevators—	
The Ogilvie Flour Mills Co., Ltd.	625,000
The Ogilvie Flour Mills Co., Ltd.	525,000
Montreal Harbor Commissioners, No. 1	4,000,000
Montreal Harbor Commissioners, No. 2	2,662,000
Montreal Harbor Commissioners, No. 3	5,000,000
Montreal Harbor Commissioners, "B"	3,500,000
Public Elevatro—	
Quebec Harbor Commissioners	4,000,000
Sorel	
Public Elevator—	
North American Elevators, Ltd.	2,000,000
MARITIME PROVINCES	
Saint John, N.B.	
Public Elevator—	
Canadian National Railway Co.	500,000
Canadian Pacific Railway	1,000,000
Canadian Pacific Railway	700,000
Halifax, N.S.	
Public Elevator—	
Halifax Harbour Commission	2,100,000



In the service of industry

F-M. Stationary Diesel Engines

For isolated power plants where electric power is not available, and for standby service, Fairbanks-Morse Diesel Engines have proven thoroughly dependable and remarkably low in power, operation and maintenance costs. In mine, mill, grain elevator, railway yard, town and city light, power and pumping plants, in countless instances they are giving entire satisfaction using cheap low grade fuel oils. They are made on the 2 cycle principle in a wide range of sizes from 25 to 840 H.P.

Automotive Supplies

In our Automotive Departments we carry large and varied stocks of supplies, replacement parts and garage equipment. Garages, Repair Shops and owners of Bus and Truck fleets are assured of an excellent service in parts and supplies, such as Spark Plugs, Chains, Fire Extinguishers, Wrench Sets, Brake Linings, Pistons, Rings, Pins and Bearings, Ignition and Battery Cable, Gaskets, Carburetors, Alemite Fittings, etc., as well as complete equipment for repairs and maintenance, including Cranes, Tire Changers, Presses, Spraying Outfits, Hoists, Test Stands, Air Compressors, etc.

Yale Hoists and Trucks

For practically every job of lifting and moving material—raw, in process or completed—there's a Yale Unit that will do the work quickly, easily and safely. There are many Yale Hoists both hand and electric powered, Yale overhead trolleys carry big loads quietly and easily, and Yale Electric Trucks and Trailers are quick to transfer material. Yale margins of safety are unusual, and Yale controls are simple, safe and easy to operate. Let us study your material moving problems—in many cases our engineers have made real savings with Yale equipment.

Norton Grinding Wheels

For quickly removing metal, for cutting off, for producing a high finish on any material, for any service where grinding wheels can be used, you will find a Norton Wheel that will cut quicker, or produce a higher finish, or turn out more pieces at a lower cost. Norton Wheels are carried in stock at all branches and at your service are men who have made a study of removing metal by grinding. They will tell you the right wheel to produce the most work at the lowest cost.

Transmission Equipment

To ensure the steady and economical flow of power from drive to machine, proper shafting, hangers, bearings, pulleys and belts are essential, and here you will find Graton & Knight Leather and Dick's Balata Belting. Fairbanks Wood Pulleys, Barry Steel Split Pulleys, Hyatt Roller Bearings, as well as the numerous appliances necessary for the transmission of power.

The CANADIAN Fairbanks-Morse COMPANY Limited
ST. JOHN QUEBEC MONTREAL OTTAWA TORONTO HAMILTON WINDSOR KITCHENER LONDON
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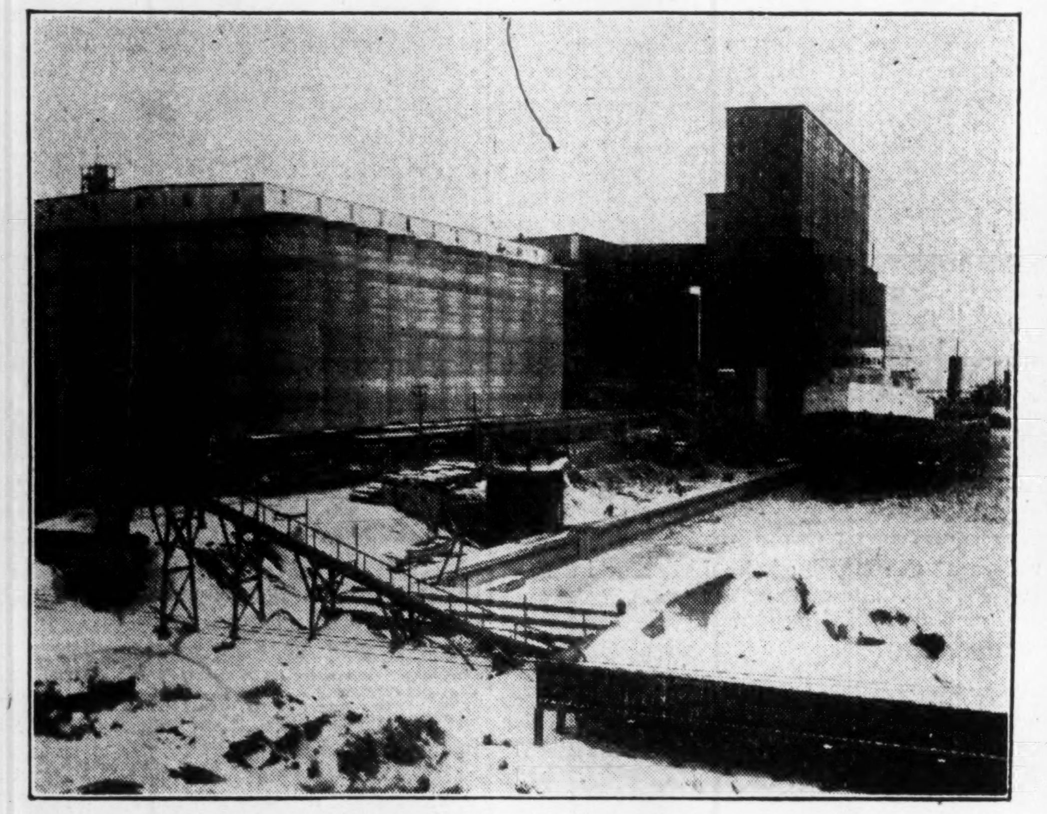

Elevator at Fort William, Ont.

Absolutely Fireproof Throughout. Operated by Electricity.
Capacity 5,750,000 Bushels.

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J. E. DUDLEY, Vice-Pres. and Gen. Manager
D. G. EDMOND, Sec'y and Asst. Treasurer

Grand Trunk Pacific Elevator Company
Limited

Located at Fort William, Ontario, on C. N. R. and C. P. R. Railways

Capacity 5,750,000
Unloading capacity—200 cars in ten hours
Loading capacity—75,000 bushels per hour
Drying capacity—35,000 bushels in 24 hours
Equipped with all latest elevator machinery

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ELEVATOR CO. LTD.

Fully Equipped Country Elevators   Twenty Years' Experience

National and Chinook Oats

Sacked and Shipped from our Terminals
for Eastern Trade

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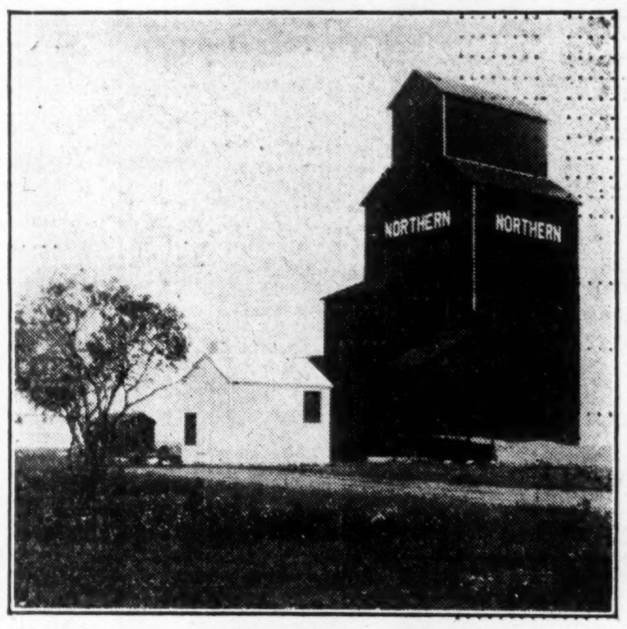
Elevators and Coal Sheds Throughout the West

National Elevator Company Limited

THE
Northern Elevator Company
Limited

Grain Merchants



Country Elevators and Coal Sheds in Manitoba,
Saskatchewan and Alberta

Thirty-four years of Continuous Public Service

Incorporated by Dominion Charter in 1893

Reliable Service

209 Grain Exchange - Winnipeg, Manitoba

Flour Trade Drops Owing to Disparity In Prices of Wheat

Pool Quotes Foreign Miller Lower Price Than It Quotes to Canadian Millers and as Result Canada's Export Trade Dwindles—Mills Provide Large Market for Products of Cereal-Growing Farmers

Flour milling is the oldest manufacturing industry in Canada. It has contributed immeasurably to the development of Canadian agriculture both by providing a large home market for our cereal crops and by extending our export markets through grinding wheat to be exported as flour.

At the present time flour milling is not prospering in Canada. Mills are operating at less than 40 per cent of capacity. This is due almost entirely to the fact that wheat is available to Canadian mills only at prices that exceed the price millers in foreign countries are paying not only for similar foreign wheat but for Canadian wheat.

Foreign Miller is Given Advantage

Fictitiously high prices for wheat on the Winnipeg Grain Exchange last fall were a severe blow to Canadian millers. While Canadian millers were forced to pay the Canadian quoted price for wheat, the latter commodity, their chief raw material was offered abroad at lower prices. Rt. Hon. J. H. Thomas, British minister who visited Canada in the fall reports that he learned that Canadian wheat was continually offered abroad by the wheat pools at lower prices than Winnipeg quotations. Wheat pool officials have confirmed the fact that they have offered wheat abroad at less than the Canadian price. While they do not state how much wheat was sold by this policy it is probable that some wheat went out and in any event these Canadian offerings helped to fix foreign prices and also to establish the basis of quotations that foreign millers were able to fix for their product in export markets. A difference of 10 cents a barrel in the price of flour will divert business from one mill to another. A cut of two cents in wheat means a cut of nearly ten cents in flour. When foreign millers are offered Canadian wheat at less than the price Canadian millers must pay, there is small opportunity for our millers to do an export trade.

Lose Out in Chief Markets

During the past few months, Canadian flour mills have lost business in markets that were formerly considered largely their own territory.

According to the Northwestern Miller, the Canadian miller to prevent being thrust out of the United Kingdom and other exports markets entirely have had to sell the flour at considerably under its legitimate price, absorbing a substantial premium in the cost of his wheat over what the British miller had to pay for the same Canadian grades and absorbing also the premium that ocean shipping companies exact for flour space as compared with that for wheat.

In the foregoing fact there is a valuable subject for thought on the part of the Canadian grain trade and especially for the farmers' wheat pool. This organization may very well ask itself how much of its sales of wheat in Great Britain and of the prices obtained for same is due to the high standard of quality set for the British millers by the competition of Canadian flour in all their important markets. There is not the least doubt that the flour sells the wheat every time. It also influences the price and is responsible for the premium that Canadian wheat commands over every competing kind.

Considerations such as these make it difficult to understand the policy of the Canadian Wheat Pool in selling wheat for export to the British mills at lower prices than Canadian mills have to pay for the same grain. The Canadian miller is the best customer the pool has, yet its attitude toward him is always a selfish one.

Hurts Livestock Growers

One by-product of the decline in milling in Canada in recent months has been a shortage of mill feed, a by-product of flour milling used for feeding farm animals. Thus the handicaps of the flour mills are extended to producers of milk, butter, cheese, poultry, livestock, etc. There has actually been importation into Canada of bran from Argentina in recent months.

The Canadian milling industry produces between 18,000,000 and 20,000,000 barrels of flour annually. This takes from 15 to 20 per cent of the annual wheat crop or roughly 80,000,000 bushels of wheat. Canada exports 10,000,000 to 12,000,000 barrels of flour annually. This represents roughly 50,000,000 bushels of wheat. Of Canada's total exports of wheat usually about one fifth leaves the country in the form of flour.

Big Production But Slow Growth

The position of the milling industry in Canada is shown in the following table, which shows how important is the volume of production but how disappointing has been the rate of growth over a term of ten years:

Wheat Flour Production in Canada

	Wheat milled bushels	Flour produced barrels	Flour produced value
1917	84,478,264	17,687,338	$170,381,834
1918	78,486,826	17,880,912	189,096,238
1919	78,591,648	17,842,833	185,982,307
1920	61,116,380	13,127,320	153,117,662
1921	70,005,373	15,321,759	136,257,285
1922	81,413,649	18,055,010	112,445,551
1923	85,699,645	19,075,814	102,571,212
1924	95,750,772	21,076,733	121,786,505
1925	80,901,984	17,769,071	131,857,785
1926	86,200,877	19,056,162	131,187,907
1927	86,807,691	18,787,312	125,110,853
1928	89,058,757*	19,790,835	....
1929	83,401,884*	18,533,752	....

*Estimated.

That the decline in production has been most noticeable in recent months is revealed in these figures:

Production of Wheat Flour

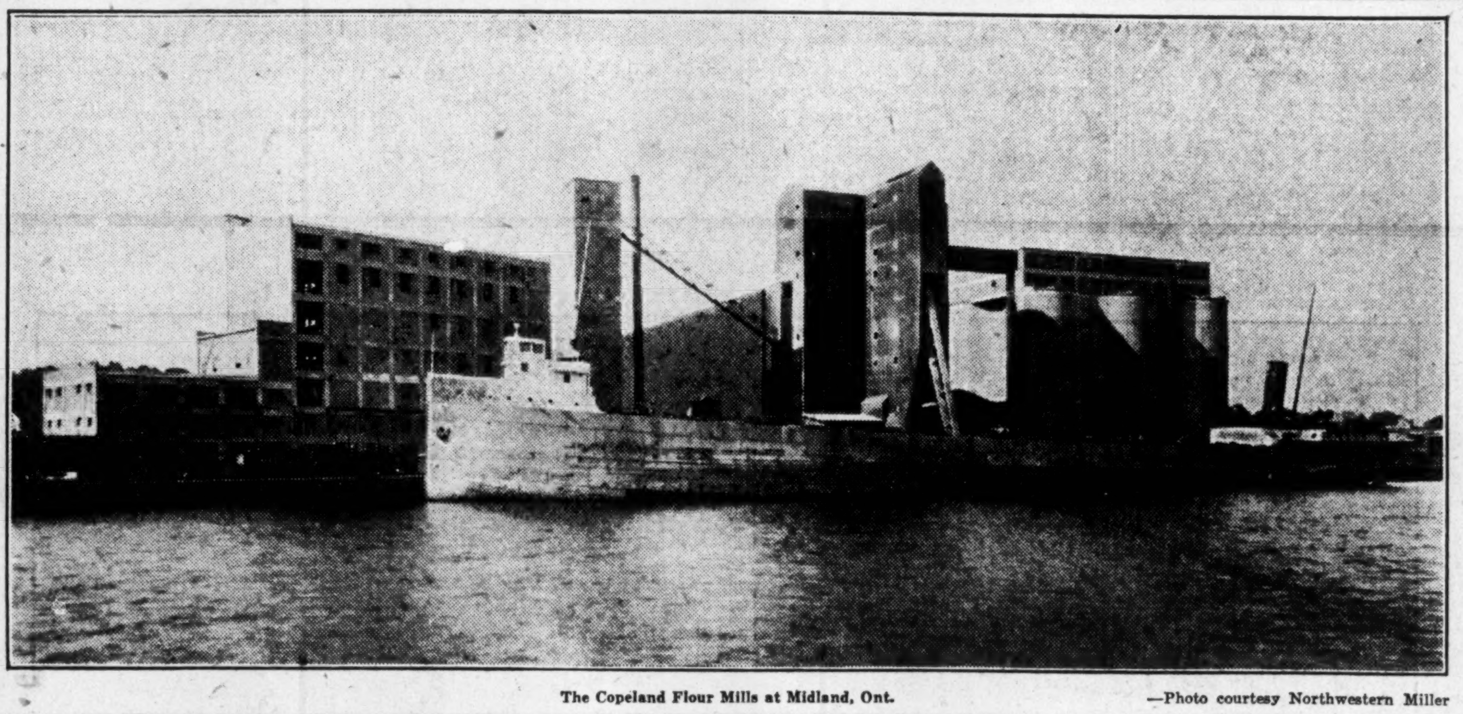
	1928 Barrels	1928 % of Capacity	1929 Barrels	1929 % of Capacity	1930 Barrels	1930 % of Capacity
January	1,578,784	...	1,698,073	57.1	1,168,004	38.6
February	1,464,426	...	1,599,620	59.7	....	...
March	1,616,799	...	1,631,182	56.9	....	...
April	1,314,012	...	1,606,056	52.7	....	...
May	1,541,014	...	1,748,574	57.6	....	...
June	1,359,459	...	1,548,464	58.8	....	...
July	1,458,111	...	1,602,843	53.8	....	...
August	1,590,164	51.6	1,607,264	53.8	....	...
September	1,891,863	69.3	1,282,553	44.3	....	...
October	2,129,716	68.7	1,527,507	52.	....	...
November	2,174,790	75.0	1,628,615	56.0	....	...
December	1,671,907	57.7	1,073,308	36.7	....	...

The decline in production has been due largely to reduced exports as these figures show:

Wheat Flour Exports

	1928 Barrels	1929 Barrels	1930 Barrels
January	765,792	933,450	502,888
February	767,942	997,808	......
March	1,141,896	1,412,834	......
April	609,372	720,050	......
May	886,220	906,651	......
June	716,013	934,811	......
July	782,453	835,593	......
August	924,646	643,246	......
September	889,775	492,381	......
October	1,170,979	554,039	......
November	1,159,213	538,038	......
December	922,965	604,979	......

Flour Mill Located Where Lake and Rail Meet



The Copeland Flour Mills at Midland, Ont. —Photo courtesy Northwestern Miller

Exports Reach Every Corner of Globe

Canada exports to countries all over the world. In no other manufactured commodity have we developed such a diverse export trade as in wheat flour. Our exports to different countries were as follows in the last two calendar years:

Canada's Flour Exports 1928 and 1929

	1928 Barrels	1929 Barrels
United Kingdom	2,930,000	2,293,000
United States	6,000	2,000
Irish Free State	283,000	196,000
British South Africa	81,000	55,000
British West Africa	13,000	28,000
Bermuda	14,000	15,000
British Guiana	162,000	122,000
British Honduras	13,000	13,000
Barbados	69,000	57,000
Jamaica	404,000	394,000
Trinidad and Tobago	285,000	276,000
Other B. W. I.	180,000	173,000
Hong Kong	309,000	302,000
Malta	54,000	42,000
Newfoundland	337,000	248,000
New Zealand	60,000	58,000
Palestine	15,000	9,000
Austria	39,000	33,000
Brazil	32,000	300
China	1,280,000	2,855,000
Colombia	8,000	3,000
Costa Rica	3,000	3,000
Cuba	34,000	14,000
Czecho-Slovakia	129,000	56,000
Denmark	347,000	198,000
Egypt	289,000	163,000
Esthonia	24,000	5,000
Finland	318,000	195,000
French Guiana	13,000	9,000
French West Indies	58,000	56,000
St. Pierre and Miquelon	5,000	5,000
Germany	1,271,000	801,000
Greece	324,000	163,000
Hayti	51,000	7,000
Iceland	5,000	3,000
Italy	79,000	20,000
Japan	96,000	72,000
Korea	26,000	2,000
Morocco	7,000	2,000
Netherlands	270,000	109,000
Dutch Guiana	9,000	2,000
Dutch West Indies	5,000	2,000
Norway	409,000	278,000
Panama	16,000	9,000
Poland and Danzig	6,000	6,000
Azores and Madeira	35,000	16,000
Portuguese Africa	26,000	24,000
San Domingo	10,000	3,000
Serb-Croat-Slovene State	4,000	200
Spanish Africa	9,000	2,000
Sweden	80,000	52,000
Syria	40,000	15,000
Philippines	34,000	33,000
Venezuela	106,000	53,000
	10,737,000	9,574,000
Total value	$63,973,000	$52,749,000

Canada ranks second among the countries of the world as an exporter of flour as the following figures indicate:

Flour Trade of World
12 months, Aug. 1-July 31, in thousand barrels

	1927-28	1928-29
EXPORTS—		
United States	12,648	13,392
Canada	9,866	11,808
Argentina	1,828	1,658
Australia	3,991	5,362
India	673	545
Hungary	2,108	2,615
Roumania	439	195
Japan	1,154	2,247
Other countries	4,001	4,686
Totals	36,708	42,508
IMPORTS—		
Germany	488	354
Austria	1,826	1,388
Denmark	845	797
Finland	1,292	1,480
Great Britain and North Ireland	5,665	4,771
Netherlands	2,069	1,729
Norway	755	963
Czechoslovakia	2,112	1,984
Java and Madura	406	476
Syria and Lebanon	260	580
Egypt	1,495	2.587
Other countries	3,784	3,488
Totals	20,997	20,597

The flour milling industry in Canada represents an investment of $62,000,000. The last census of the industry, made in 1927, shows 1,315 mills, employing 6,384 persons and manufacturing products to a value of $191,741,470.

Ontario and Quebec Lead

The location of the flour and grist mills of Canada in 1927 was as follows:

Location of Flour and Grist Mills

	Mills	Capital Invested
Prince Edward Island	15	$ 72,700
Nova Scotia	22	407,772
New Brunswick	33	297,176
Quebec	370	9,992,556
Ontario	701	29,929,851
Manitoba	38	6,461,905
Saskatchewan	66	5,074,421
Alberta	65	8,366,728
British Columbia	5	1,458,904
CANADA	1,315	$62,062,013

These mills produced 18,787,312 barrels of flour, valued at $125,110,853; 699,495 barrels of oatmeal and rolled oats, valued at $5,941,067; 681,439 tons of bran, shorts and middlings, valued at $19,400,565, and 924,225 tons of chopped feed, valued at $33,345,468.

Each Canadian Consumes Barrel of Flour

Interesting figures have been compiled in Canadian consumption of milled products indicating the average Canadian consumes just under a barrel of flour in one year. Average per capita consumption of flour in Canada in 1927 was as follows:

Wheat flour	1.00	barrel
Oatmeal	10.24	lbs.
Cornmeal	6.61	lbs.
Rye flour	.272	lbs.
Buckwheat flour	.356	lbs.
Barley	.451	lbs.

The following figures show how the estimate of flour consumption was reached:

	Barrels
Production	18,787,312
Imports	64,337
Exports	9,262,936
Available for consumption	9,588,713
Average per capita	1.00

The leading flour milling centres of Canada are given as follows by the Northwestern Miller:

Canada—City Mill Capacity per Day

Montreal, Que.	19,000
Port Colborne, Ont.	13,000
Keewatin-Kenora, Ont.	13,000
Winnipeg-St. Boniface, Man.	8,500
Saskatoon, Sask.	7,200
Calgary, Alta.	7,000
Peterboro, Ont.	5,400
Medicine Hat, Alta.	4,900
Moose Jaw, Sask.	4,000
Toronto, Ont.	4,000
Fort William, Ont.	3,000
Goderich, Ont.	2,500
Guelph, Ont.	1,200
Midland, Ont.	1,200
Portage la Prairie, Man.	1,200
Brantford, Ont.	1,100
Chatham, Ont.	1,100
Vancouver, B. C.	1,000
Brandon, Man.	950
London, Ont.	800
St. Mary's, Ont.	800
Galt, Ont.	750
St. Thomas, Ont.	750
Stratford, Ont.	700
Lethbridge, Alta.	600
Renfrew, Ont.	550
Edmonton, Alta.	500
Souris, Man.	500
Milverton, Ont.	500
Seaforth, Ont.	500

Besides these large merchant mills, there are several hundred smaller country mills scattered over the various provinces. The total flour milling capacity of Canada is 136,370 bbls.

Economic Fairy to Industrial Life

Among the field crops of Canada wheat stands supreme. No other natural product has been able to compare with it as a vitalizing influence upon the economic life of the Dominion as a whole and nothing has attracted so much attention from the outside world. Wheat has been aptly described as "the economic fairy to the industrial and commercial life of Canada having built practically the whole economic structure of the Prairie Provinces." The opening up to civilized settlement of the vast area comprised by these provinces is a story of alluring adventure and of glorious achievement.

New Fort Churchill Elevator

A 2,500,000 bushel grain elevator is to be built at Churchill, seaboard terminal of the Hudson Bay Railway, which will be formally opened for traffic this year. Tenders for the building of this elevator are being called by the Canadian Government Department of Railways and Canals.

Elevator Is Essential Unit

(Continued from page 29)

the 451 grades represented four hundred fifty-one lots of wheat varying in size from 49,000 bushels down to one 5 bushel lot of condemned No. 2 Mixed Heated, one 307 bushel lot of No Grade Tough Rejected White Spring and Amber Durum Sprouted, and one 2,000 bushel lot of No Grade Tough Rejected No. 4 Sprouted Rejected Mixed Heated and Heating.

Too Many Grades of Wheat

"These facts give us a rather dark picture of Canadian wheat as it moves from the fields to the terminal markets.

"Too many grades. Too many qualities and conditions. But the situation is even worse than here presented. If the claim be made that 1927 was not a "normal" year, we may turn to 1926. For the 1926 crop there were 599 grades received by the private terminal elevators at Fort William and Port Arthur.

"The fact must be frankly faced that Canada is now producing by actual count 2,623 grades of wheat. Since the millers want only eight or ten grades and the exporters only six, we will see at once the serious nature of this marketing problem.

Conditioning Reduces Number of Grades

Fortunately for the farmer, by cleaning and conditioning, by a careful and scientific mixing which has due regard for the three factors of cleanness, quality and condition, the handlers of grain in large volume at terminal markets are able to eliminate a very large number of grades. The market for these 451 grades of small lots of grain in 1927 was, of course, the private elevators. They purchased in all 481 grades. By conditioning and scientific mixing, they eliminated 277 of these grades, leaving on their hands 204 grades to sell. Since the millers and exporters are not buying these nondescript grades, and since the farmers keep on producing them in every increasing volume, the private elevators have grown up by a process of natural economic evolution to become the buyers of this grain. Without such buyers, it is difficult to see where and how the farmers could dispose of their grain at all.

"The farmer's pool, as stated above, received from the farmer 216 grades of wheat of the 1927 crop. It is a physical impossibility to find buyers at remunerative prices for this number of grades of wheat. The pool actually found buyers overseas for 21 grades. This left on hand 195 grades to be sold to domestic buyers, or to be conditioned and built up into fewer and better grades. To sell 195 grades of wheat to mills that grind only six grades is not practicable. The pool was accordingly forced to follow the established commercial practice of conditioning, mixing and otherwise treating this wheat."

Top Four Grades May Not Be Mixed

In private elevators the grain is inspected in and inspected out, and also weighed in and out by government inspectors, but the owners of the elevator are largely given a free hand in the operations apart from them. Formerly they were allowed to blend or mix grain of any grades, but last year Parliament passed an amendment to the Grain Act which will become effective with the 1930 crop prohibiting mixing of any of the following grades of grain:

No. 1 Hard.
No. 1 Northern.
No. 2 Northern.
No. 3 Northern.

Any elevator taking in grain in one of these grades must provide separate binning accommodation for these different grades of grain and may not mix them. The public elevator may never mix different grades together in the same bin; private elevators may store or mix as they see fit except for the four grades specified. The new Act provides for a new type of elevator, the semi-public elevator. This will be subject to the restrictions on public elevators except that grain of grades other than the four debarred from mixing may be binned as the manager sees fit.

Private elevators in Canada during the 1929-1930 crop season divide as follows:

	No. of Elevators	Capacity Bushels
Alberta	15	3,603,000
Manitoba	14	4,070,000
Saskatchewan	4	4,310,550
British Columbia	10	14,492,000
Ontario	30	58,630,000
	73	85,105,550

In all Canada the number of elevators and storage capacity is as follows:

	No.	Capacity Bushels
Country elevators	5,651	192,858,450
Manufacturing elevators	24	3,151,000
Public elevators	11	44,967,210
Private elevators	73	85,105,550
Grand Total	5,787	394,594,210

Dominion-Wide Service for The Grain Trade

WE have adequate facilities for the production and installation of fireproof equipment and sheet metal work required in the construction of modern elevators.

The valuable experience gained by us on many of the largest elevators operating throughout Canada is at your disposal.

Also a competent staff thoroughly familiar with the details of elevator construction, ready to co-operate with you at all times.

We also manufacture a complete line of steel shingles and sidings for use on line elevators.

Ask for Catalogue 828.

Your enquiries are invited for

Elevator Buckets
Steel Spouting
Rolling Steel Doors
Steel Sash
Marine Leg
Leg Casing
Dust Collectors
Ventilating Systems
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WESTERN STEEL PRODUCTS LIMITED
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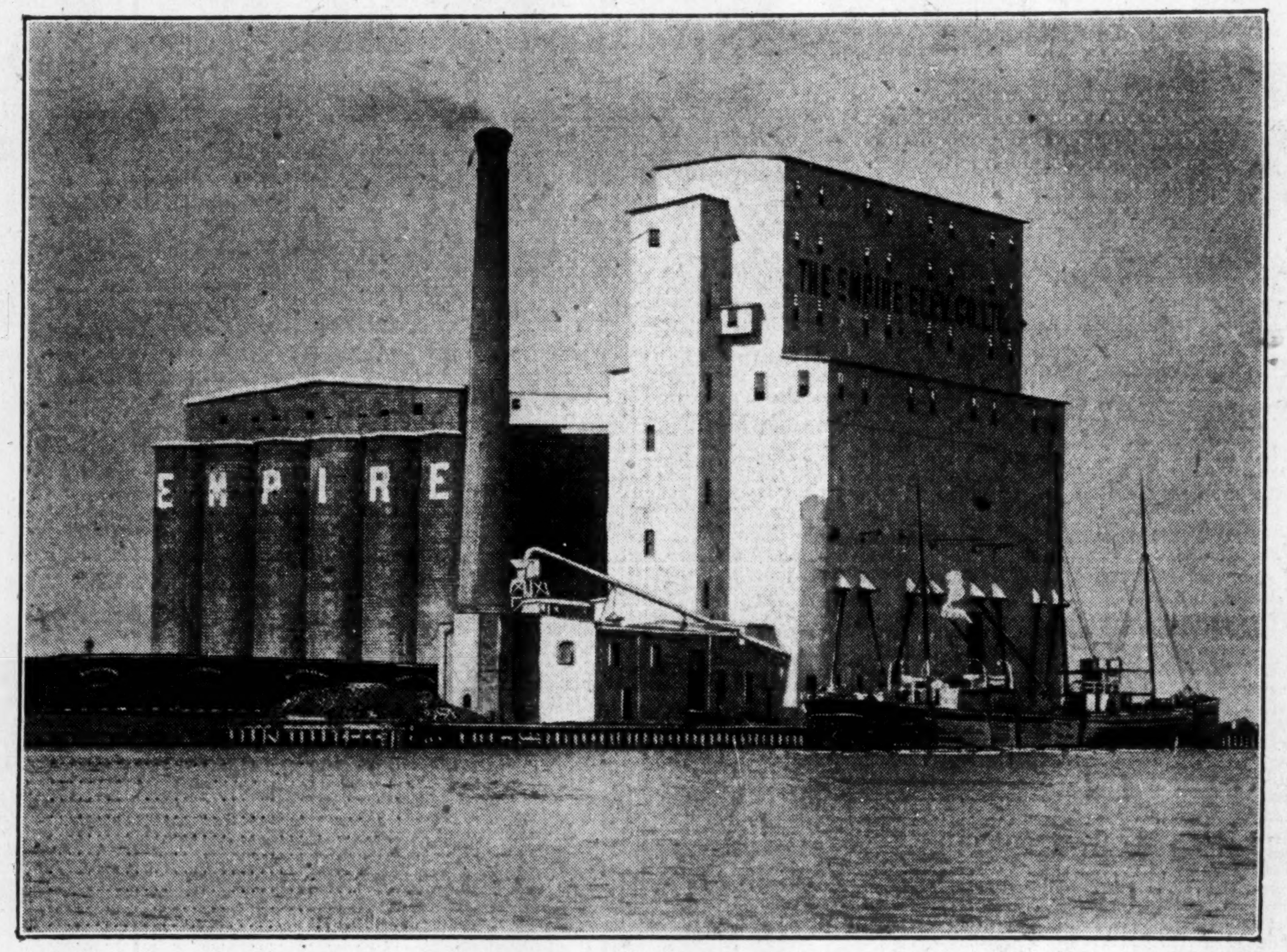

Empire Elevator, Fort William

THE
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975 GRAIN EXCHANGE, WINNIPEG, MAN.
Operating 140 Country Elevators in Manitoba and Saskatchewan

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Eastern Orders Solicited
Future Orders will receive prompt attention

TERMINAL ELEVATORS

Fire Proof Storage
Empire Elevator, Fort William, 1,750,000 Bush. Capacity
Thunder Bay Elevator, Port Arthur, 1,500,000 Bush. Capacity

Three Decades of Canada's Place in Wheat

World Wheat Production

	Bushels
1900	2,663,440,000
1901	2,783,784,000
1902	3,175,280,000
1903	3,258,688,000
1904	2,903,420,000
1905	3,252,520,000
1906	3,319,072,000
1907	2,950,840,000
1908	3,093,816,000
1909	3,609,656,000
1910	3,524,824,000
1911	3,463,760,000
1912	3,748,960,000
1913	3,896,800,000
1914	3,551,400,000
1915	4,233,840,000
1916	Returns incomplete
1917	" "
1918	" "
1919	" "
1920	2,889,269,000
1921	3,110,961,000
1922	3,506,530,000
1923	3,818,844,000
1924	3,469,640,000
1925	4,030,674,371
1926	4,178,942,000
1927	4,312,970,000
1928	4,551,120,000
1929	4,429,518,000

Canadian Wheat Production *

	Area Acres	Yield Per Acre Bus.	Bushels	Value
1900	....	...	55,000,000	$..........
1901	....	...	85,000,000	....
1902	....	...	93,000,000	....
1903	....	...	78,000,000	....
1904	....	...	69,000,000	....
1905	....	...	106,000,000	....
1906	....	...	125,000,000	....
1907	....	...	93,000,000	....
1908	6,610,000	17.0	112,000,000	91,228,000
1909	7,750,000	21.5	166,000,000	151,320,000
1910	8,865,000	15.0	132,000,000	105,817,000
1911	11,101,000	20.8	230,000,000	148,123,000
1912	10,997,000	20.5	224,000,000	139,090,000
1913	11,015,000	21.0	231,000,000	156,462,000
1914	10,294,000	15.8	161,000,000	196,148,000
1915	15,109,000	26.0	393,000,000	356,817,000
1916	15,370,000	17.0	262,000,000	344,096,000
1917	14,756,000	15.8	233,000,000	453,039,000
1918	17,354,000	11.0	189,000,000	381,678,000
1919	19,126,000	10.0	193,000,000	457,722,000
1920	18,232,000	14.5	263,000,000	427,357,000
1921	23,261,000	13.0	300,000,000	242,936,000
1922	22,423,000	17.8	399,000,000	339,419,000
1923	21,886,000	21.7	474,000,000	316,995,000
1924	22,056,000	11.9	262,000,000	320,362,000
1925	20,790,000	19.0	395,000,000	487,736,000
1926	22,896,000	17.8	407,665,000	442,221,000
1927	22,460,000	21.4	479,665,000	477,791,000
1928	24,119,000	22.1	533,570,700	426,013,000
1929	25,255,000	11.9	299,520,000	346,502,000

* Calendar Year

United States Wheat Production

	Bushels
1900	602,708,000
1901	789,538,000
1902	724,528,000
1903	664,543,000
1904	596,375,000
1905	726,384,000
1906	757,195,000
1907	637,981,000
1908	644,656,000
1909	700,434,000
1910	635,121,000
1911	621,338,000
1912	730,267,000
1913	753,380,000
1914	891,017,000
1915	1,025,801,000
1916	636,318,000
1917	636,655,000
1918	921,438,000
1919	967,979,000
1920	833,027,000
1921	814,905,000
1922	797,381,000
1923	792,381,000
1924	864,428,000
1925	676,429,000
1926	832,305,000
1927	871,691,000
1928	901,000,000
1929	806,508,000

Canadian Wheat Exports **

	As Wheat Bushels	As Flour Bushels	Total Bushels
1901-2	9,740,000	5,000,000	14,740,000
1902-3	26,100,000	3,900,000	31,000,000
1903-4	32,900,000	5,900,000	38,800,000
1904-5	16,800,000	7,100,000	23,900,000
1905-6	14,700,000	5,900,000	20,600,000
1906-7	40,000,000	6,800,000	47,200,000
1907-8	25,500,000	4,900,000	30,400,000
1908-9	43,600,000	8,900,000	52,500,000
1909-10	49,100,000	7,800,000	56,900,000
1910-11	49,700,000	13,800,000	63,500,000
1911-12	45,800,000	13,700,000	59,500,000
1912-13	64,500,000	16,800,000	81,300,000
1913-14	110,900,000	20,700,000	131,600,000
1914-15	63,900,000	22,800,000	86,700,000
1915-16	235,700,000	33,500,000	269,200,000
1916-17	140,200,000	34,400,000	174,600,000
1917-18	118,600,000	50,600,000	169,200,000
1918-19	62,600,000	41,000,000	103,600,000
1919-20	63,400,000	29,100,000	92,500,000
1920-21	137,000,000	30,200,000	167,200,000
1921-22	150,900,000	34,900,000	185,800,000
1922-23	229,800,000	49,600,000	279,400,000
1923-24	292,400,000	54,100,000	346,500,000
1924-25	147,000,000	45,700,000	192,700,000
1925-26	275,600,000	49,000,000	324,600,000
1927-28	251,300,000	41,600,000	292,900,000
1927-28	288,600,000	44,300,000	332,900,000
1928-29	355,400,000	53,100,000	408,500,000

** For crop year from August 1 to July 31

Canadian Flour Production

Calendar Year

	Wheat Consumed in Bushels	Flour Produced in Barrels
1917	84,488,264	17,687,338
1918	78,486,826	17,880,912
1919	78,591,648	17,842,833
1920	61,116,380	13,127,320
1921	70,005,373	15,321,759
1922	81,413,649	18,055,010
1923	85,699,645	21,076,733
1924	95,750,772	21,076,733
1925	80,901,984	17,769,366
1926	85,316,163	18,965,368
1927	80,997,173	17,838,546†
1928	86,842,296	18,910,384†
1929	94,795,316	20,893,252

† Crop Years to July 31

Canadian Flour Exports

Crop Years to March 31

	Barrels
1901	1,118,700†
1911	3,049,046†
1920-1	6,886,560
1921-2	7,878,589
1922-3	11,069,054
1923-4	11,990,842
1924-5	10,169,692
1925-6	10,896,654
1926-7	9,247,824
1927-8	9,865,754
1928-9	11,808,775

† Fiscal Years to March 31

Winnipeg Grain Exchange Gives Service To All Interested in Trades in Grain

Provides an Open Market Place in Which Prices Find Natural Level Based on Economic Laws – Has Established High Standards of Conduct

The great financier of the days of Queen Elizabeth was Sir Thomas Gresham. In 1564 Sir Thomas Gresham built, at his own expense, the first bourse or exchange in England and here the merchants in many different fields met to exchange commodities and to provide an open market for merchandise as varied as the business of the members, who included milliners, armourers, apothecaries, booksellers, goldsmiths, stockbrokers, money changers, etc.

Commodity exchanges have had a long and notable record of successful public service. And among the great commodity exchanges of the world, the Winnipeg Grain Exchange is recognized as holding a very high place. It ranks second only to the Chicago Board of Trade as a great open market place for products of the field and cash trading in wheat on the Canadian exchange is believed to exceed that on any grain exchange in the world.

All Interested in Grain Meet Here

The Winnipeg Grain Exchange brings together in one voluntary association of traders the representatives of practically every unit in the grain marketing business. There are brokers who buy and sell for farmers and speculators on a strictly commission basis. There are flour milling companies who can buy their grain or hedge their purchases on the exchange. There are line elevator companies and terminal elevator companies who likewise meet their business associates in the pit. There are representatives of large co-operative buying societies and co-operative selling organizations. There are individual traders and speculators.

The Winnipeg Grain Exchange was a natural development to meet a well determined need. With a quarter of a million farms in western Canada and thousands of flour mills throughout the world—the former producing grain and having it for sale and the latter requiring to buy it,— there was need for a simple system to bring seller and buyer together. And the immediate point of contact was provided in the grain exchange.

Wide Variety in Transactions Recorded

Primarily the purpose of the exchange is to enable dealers in grain who collect shipments from various producers to dispose of them to those who wish to purchase grain for further processing. Naturally the character of the transactions has, in the natural course of events, broadened out with the growing complexity of the grain business, and in any transaction on the exchange it is impossible to determine whether it is being undertaken on behalf of a trader, consumer or speculator. Actually this is of small moment. The speculators' transactions that pass through the exchange are as important a factor for both grower and consumer as are the actual cash transactions. There is no need to argue here the necessity or value of speculation in commodities. Without a speculative interest in commodities the volume of trading would be so reduced that the establishment of exact contact between buyers and sellers would be made more difficult, so much so that price fluctuations would be greater, stability would be removed from business transactions and the present possibility of protecting future commitments by hedging would be lost.

Exchange is Purely Voluntary Association

The Winnipeg Grain Exchange is a voluntary association of traders in grain. It is the outgrowth of institutions that have been in existence since 1883. Originally it was established by a few commission merchants in Winnipeg who felt the need for some central gathering place to which those with grain to sell and those wishing to buy could come to discuss transactions on a competitive basis. The early history of the exchange was not one of an unbroken character and the original grain exchange went out of business only to be re-established in 1887. In those days futures trading was transacted through the existing Minneapolis and Chicago exchanges, but in 1903 the Winnipeg Exchange went in for futures trading and this has always been an important part of its business, although not relatively as important as on the Chicago Board of Trade.

The Winnipeg Grain Exchange was at first an incorporated body but when in 1908 the Manitoba government attempted to interfere with its operation the exchange dissolved and was reorganized as an unincorporated, voluntary association and as such it continues to operate.

Most of Canada's wheat is marketed through the Winnipeg Grain Exchange, for although the wheat pools have introduced direct selling and have appointed their own agents in many British and foreign countries they still make use of the facilities provided by the grain exchange for the sale of some portion of their grain. The major portion of Canada's actual production of grain is sold through the medium of the exchange and in addition a large volume of speculative and hedging transactions take place.

The grain exchange does more than provide a mere market place for the buying and selling of grain. It aids in the collection and dissemination of a vast amount of information touching the conditions of crops throughout the world, matters bearing directly upon market prices. Every morning the exchange is in receipt of cables from different market centres of the world dealing with supplies and prices. Every second brings in a record of the immediate prices of grain in Chicago and other markets. Continuous quotations from Chicago, Minneapolis and Duluth are posted in the exchange and figures on the movement of grain the world over are also supplied.

The grain exchange does not make grain prices. Rather grain prices are reflected on this exchange and the grain exchanges of the world on the basis of information that is obtained from every quarter. The price of any kind of grain finds its proper level with lightning speed.

Commission Rates Are Small Factor

The grain exchange fixes a commission rate. These rates are very low and are really a negligible factor in the marketing costs of grain. The Dominion Bureau of Statistics at one time figured the cost of moving 1,000 bushels of wheat from a typical point in western Canada to the English market. The total cost came to just under $400, of which only $10 was represented by brokers' commission. Incidentally the bank charges for handling the drafts amount to a larger sum than the brokers' commission for selling grain. Customers and members of the exchange know in advance of any transaction what the charge for service will be and they have the assurance that it will be certain, definite, uniform and moderate. Fixing these uniform rates, the exchange eliminates competition so far as charges for service is concerned and brings quality and speed of service to the forefront as a measure of efficiency and skill.

Regulate Forms of Future Contracts

The forms of contract for future trading are regulated by the exchanges. It does not attempt to draw up forms of contract for cash grain transactions as these have been outlined in the Canada Grain Act.

The current system of future trading in commodity markets has proven to be of great value to producers, consumers and business men. Let us consider the position of the miller buying wheat to be turned into flour and sold at some future date in some foreign market. If the miller had no manner of insuring himself against violent fluctuations in the price of his chief raw material, his business would become entirely a question of gambling on the market price of wheat rather than of processing wheat for a small manufacturing profit. Due to the existence of a large speculative element in grain trading, the miller is able to sell for future delivery an amount of wheat equivalent to the quantity he has actually purchased himself, and, as the price of the future transaction bears a close relation to the price of the cash wheat purchase, he is protected against fluctuations in wheat prices. If the wheat he has purchased for cash declines in price, the loss to him will be offset by his profit on the transaction for future delivery. At the same time, if wheat should rise in price, any profits he might have made will be absorbed in his future or hedging contract. If all wheat trading were carried on for cash this form of price insurance would be denied to the miller. Thus the existence in the market of a large volume of speculating traders provides a volume of trading sufficient to insure a free and ready market every second for any amount of grain that may be offered or that one may wish to purchase.

The Winnipeg Grain Exchange continues to grow in importance and influence. This is due, to a considerable extent, to the fact that it has imposed upon itself very strict by-laws, which have maintained the highest possible standards of business conduct. There is the highest degree of public confidence in the Winnipeg Grain Exchange. Those who have grain to sell know that their transactions will always be made on an honest and above-board basis, while those who wish to buy grain are certain of fair treatment as well.

The exchange has been fortunate to have as officers men of high integrity. Dr. Robert Magill, who was for a number of years secretary of the exchange, was a former chairman of the Board of Grain Commissioners for Canada and a renowned expert on grain and grain trading. His untimely death during the past year was generally regretted, but the exchange was fortunate in securing as his successor James Murray, who has spent a lifetime in the grain business and was latterly connected with the United Grain Growers, a farmer-owned private grain corporation. The president is W. A. Murphy, vice-president of the Reliance Grain Company.

Seats on the Winnipeg Grain Exchange are always in demand. The members total about 375 and the seats have a market value of around $12,000.

Chart Reveals Downward Trend of Wheat Prices

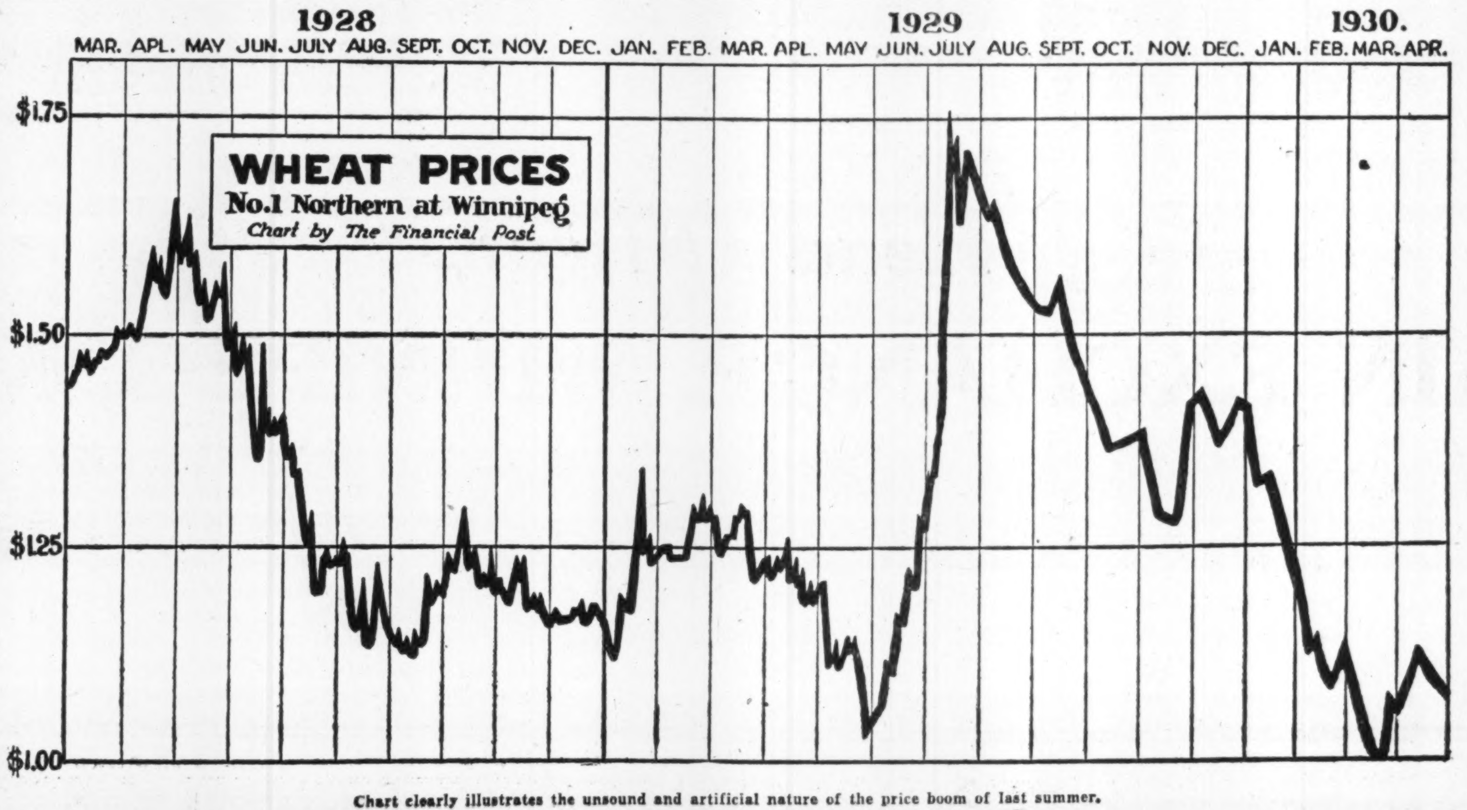

Chart clearly illustrates the unsound and artificial nature of the price boom of last summer.

FOR GRAIN MEN

AFTER seeing this Grain Trade Supplement, you probably can call to mind a number of your friends who would be very much interested in obtaining the information and viewpoint contained in this issue.

Please take a moment now, and write down their names and addresses in the spaces below—send this to us and we will mail each a copy of this outstanding Survey of the Grain Trade, with your compliments. The cost is 10c per copy.

THE FINANCIAL POST
Canada's Great Financial Weekly
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Please mail to the following a copy of The Financial Post Grain Trade Supplement, issue of May 8th, 1930, with my compliments: I enclose .... in payment.

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HALLET CAREY SWART
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Futures
Grain Commission
Feed Grains

965 Grain Exchange, Winnipeg, Man.

International Loan Company
Assets Over One Million Dollars
Liabilities to the Public Nil

COMPARATIVE STATEMENT SHOWING THE PROGRESS AND DEVELOPMENT OF THE COMPANY

	1914	1923	1929
Subscribed Capital	$132,200.00	$4,052,600.00	$5,467,000.00
Paid-up Capital	50,744.00	518,663.00	823,832.42
Assets	65,215.00	561,110.00	1,004,483.13
Mortgages and Agreements	56,141.00	508,862.00	950,548.95
Reserve and Undivided Profits	10,881.00	40,409.00	178,411.39

In addition to thus rapidly increasing its assets, which now exceed one million dollars, the Company has paid all its operating and organization expenses and a total of 75% in dividends.

This statement demonstrates the value of building a reserve. In 1925 the Company's paid-up capital was $606,314.65, while first mortgages and clear title agreements were $605,906.35. On December 31st, 1929, the company's paid-up capital was $823,832.42, while the invested funds amounted to $1,004,483.13. Thus the Company has funds on hand and invested in excess of paid-up capital amounting to $180,650.71, the interest from which will greatly increase the shareholders' profits in 1930.

BALANCE SHEET AS AT DECEMBER 31st, 1929
ASSETS

Mortgages and Agreements (including Accrued Interest):			
First Mortgages and Clear Title Agreements			$ 950,548.95
Real Estate Clear Title			25,181.50
Accounts Receivable			1,339.04
Cash on Hand and in Bank:			
Cash on Hand		$ 4,007.07	
Royal Bank of Canada		26,116.49	
Canadian Bank of Commerce		5,972.10	
		$36,095.66	
Less Outstanding Cheques—			
Royal Bank of Canada	$6,848.74		
Canadian Bank of Commerce	1,833.28		
		8,682.02	
			27,413.64
			$1,004,483.13

LIABILITIES

Liabilities to the Public		NIL
Reserve for Dominion Income Tax		$ 2,239.32
Capital:		
Capital Authorized	$20,000,000.00	
Capital Subscribed	5,467,000.00	
Capital Paid-up		823,832.42
Undivided Profits	$ 128,411.39	
Reserve for Contingencies	50,000.00	
		178,411.39
		$1,004,483.13

Winnipeg, January 21st, 1930.

We have audited the books and examined the vouchers for the year 1929, and hereby certify the above Balance Sheet to be, in our opinion, properly drawn up so as to exhibit the true and correct position of the Company, and to be in accordance with the books and records as at December 31st, 1929. The Cash and Bank Balances have been certified and all securities examined and found in order. All of our requirements as Auditors have been complied with.

DAVID COOPER & CO.,
Chartered Accountants and Auditors.

Invest your spare money in this strong, safe and progressive Mortgage Company. Write us today for particulars, also send us the names of any of your friends who may be interested in our Company.

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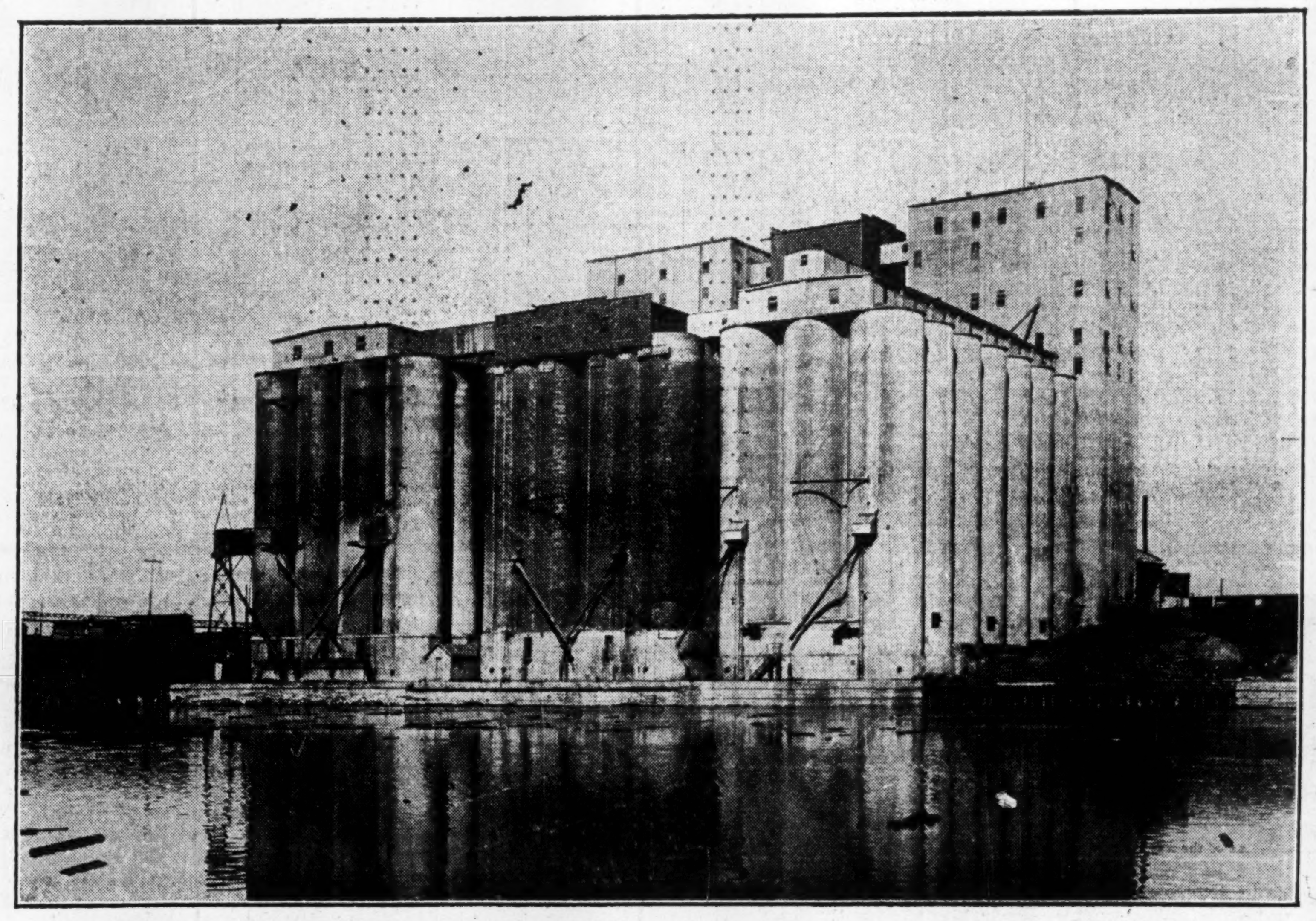


Western Terminal Elevator Fort William, Ontario. Capacity 3,250,000 Bushels

Western Grain Company Limited

COUNTRY ELEVATORS IN MANITOBA AND SASKATCHEWAN

Head Office:

GRAIN EXCHANGE, WINNIPEG, MAN.

FOURTH SECTION

THE FINANCIAL POST

FOURTH SECTION

Vol. XXIV Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, MAY 8, 1930 10c a Copy; $5.00 a Year No. 19

Commodity Exchanges Essential in Modern Commerce, Speculators Provide Insurance Against Price Risks

Exchanges Make Possible Free and Open Market for Many Types of Agricultural and Other Commodities—Hedging Transactions Necessary to Give Stability to Business—Existence of Large Body of Speculative Traders Proves Valuable

By FLOYD S. CHALMERS

Nearly a century of history has proven that commodity exchanges and futures trading on such exchanges serve the interests of the general public, the producer, the merchant, the manufacturer and consumer.

Theodore H. Price, an American publisher, recently made up a list of commodity exchanges, so far as he had information. He was able to trace the existence of 123 exchanges throughout the world that provide an open market place for commodities, chiefly agricultural products. While, to the general public, commodity exchanges suggest grain and cotton, there are open market exchanges where trading is conducted each day in such other products as butter, eggs, livestock, meat products, sugar, rice, coffee, copper, silks, tin, wool, pepper, soda, oil, fats, tobacco, alcohol, lead, rubber, yarns, cotton goods, etc.

At the present time gigantic experiments are being undertaken in different parts of the world that seek to eliminate open market trading in commodities, chiefly agricultural, and to substitute for tried and established systems control of a paternalistic, artificial or co-operative nature. Coffee has gone through a distressing experiment of this character in Brazil; a co-operative attempt at direct selling of wheat in Canada has been undertaken and there has been governmental intervention in the wheat market in the United States. Despite these experiments, commodity exchanges continue to flourish and to gain in numbers and in prestige.

It is estimated that the merchandise traded in on the commodity exchanges of the world is worth fifty billions of dollars annually. As many commodities pass through several hands on their way from the consumer to the ultimate purchaser, and as there is a large volume of purely speculative transactions, the actual volume of trading on these exchanges would be many times that sum.

Violent Fluctutions in Pre-Exchange Days

It is recorded that six hundred years ago wheat in England sold at 10/-per bushel one summer and in the following summer sold at 10 pence per bushel. Even in more recent times cotton in New Orleans broke from 30 cents to 12 cents a pound in less than a month. These events happened in the days before free open markets existed, which made available to producers, consumers and merchants all the information they required in enabling them to estimate real values, and before open markets gave stability to prices and prevented these serious and ruinous price changes.

When merchants first met together under a tree or in a room to buy and sell a certain type of merchandise, the first commodity exchange was born.

As has been pointed out, commodity trading and speculation in commodities now extends to a wide range of articles. Early this year an exchange to deal in live hogs for future delivery was formed in Chicago. New York City now has an exchange for dealing in real estate securities. There have grown up great cotton exchanges in New York, New Orleans and Liverpool; grain exchanges in Liverpool, Chicago, Winnipeg and other cities; coffee and produce exchanges in Berlin, Hamburg, Paris, Rotterdam, Budapest, Genoa and other continental cities.

The United States has recently seen the establishment of commodity exchanges in its three biggest imports—sugar, soap and rubber. There are in the United States in successful operation commodity exchanges for trading in cash and futures transactions in butter, eggs, cheese, grains, cotton, cotton seed, cotton seed oil, cotton seed meal, meal feeds, lard and salt pork and ribs, cocoa, rubber, silk, coffee, sugar, tin, copper, hides, jute and burlap. Prof. James E. Boyle, of Cornell University, in a recent article, voiced the expectation that other exchanges would doubtless be formed shortly for handling such products as livestock, wool, canned goods, potatoes and beans.

Exchange Provides Wide and Liquid Market

Commodity exchanges serve to fix international prices for merchandise, prices that are fixed upon the basis of supply and demand, and that are therefore soundly and economically based and not subject to violent fluctuation. Standardization of price is necessary to efficient marketing. The commodity exchange is a wide and a liquid market, and it is one in which any amount of a commodity, whether large or small, can be converted into cash instantly. It is a barometer of real value and thus gives stability to investments in either the production or the processing of a commodity. It is rather interesting that farmers should to a larger extent than any other class of producers enjoy the benefits of open marketing through the existence of so many agricultural exchanges.

Incidentally, there is no inside information in commodity markets. The competition to buy and sell is so keen that prices find their level very quickly. The information that is obtained is made available to all classes of producers, traders and consumers. Production costs are known, as are the total quantities available for sale. Market prices are constantly being adjusted to estimates of probable production and consumption. Because of the hazards of weather conditions, insect damage, etc., price fluctuations cannot be avoided, but when a free and open market exists these price fluctuations are kept within reasonable bounds.

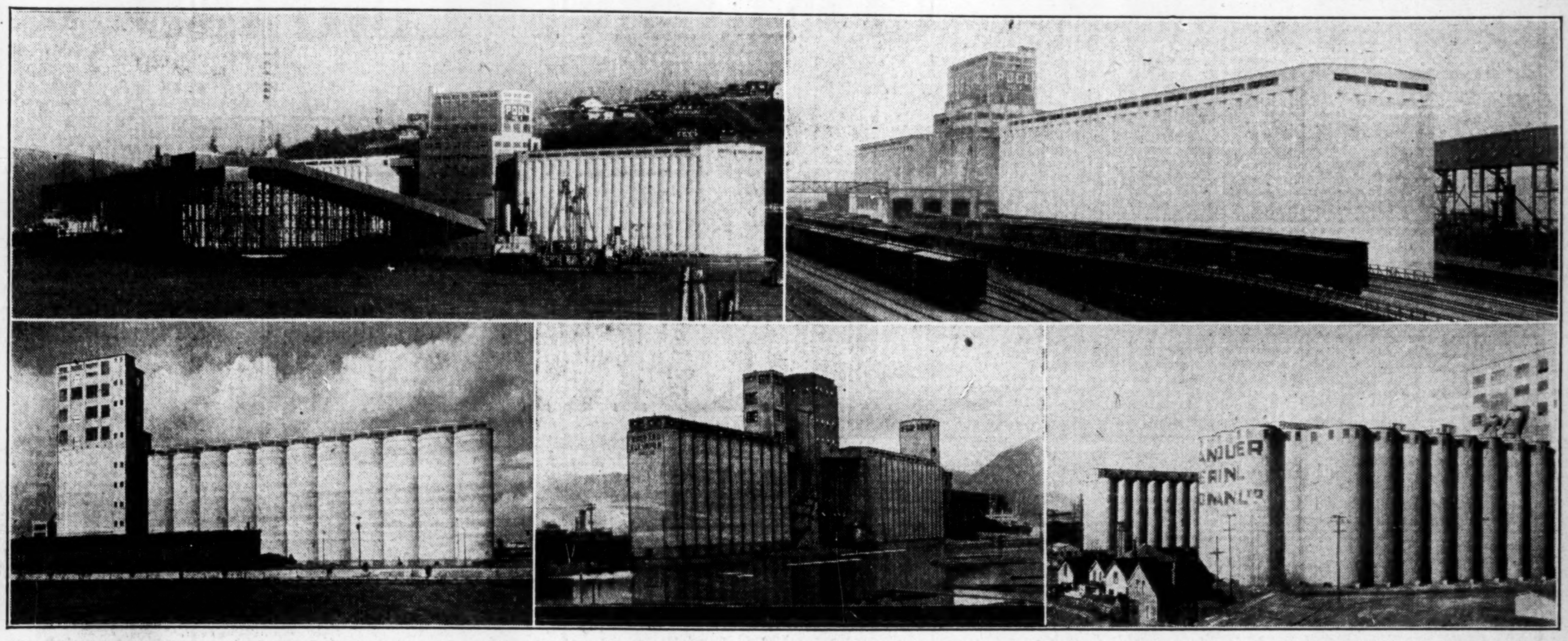
Attempts to control prices on any other basis than basic laws that are familiar to all political economists (of which the chief is the law of supply and demand) have always failed and always will fail even though temporary success may be enjoyed at times.

Futures Trading is Logical Development

It was not a long step from the establishment of an exchange for buying and selling of actual merchandise owned or to be taken up by the traders to dealing in merchandise for future delivery. Toward the end of the 18 century, time contracts developed in export trade when merchants sold goods for forward delivery. These dealings were of a crude nature and provided for the delivery of a particular lot of goods. A further extension of the system came when it was realized that the buyer did not care particularly if he got the exact lot of goods if he got something of equal quantity and quality. So transferable orders for a given amount of grain, metal or other commodity of a stated grade came into existence and by

(Continued on page 37)

Pacific Coast Gains Importance As Outlet for Grain From Prairie Farms



Some of the massive new elevators erected at Pacific Coast ports in recent years. Upper left; Wheat Pool, Vancouver; upper right, another view of the same house; lower left: Panama Pacific Grain Terminals, Victoria; centre, Burnard Elevator Co., Vancouver; right; Vancouver Terminal Co., Vancouver.

—Vancouver photos by Vancouver Publicity Bureau; Victoria photo by C.N.R.

Vancouver Spends Millions on Plants For Handling Grain

Coast Port Sees Great Grain Flow as No Flash in Pan and is Investing Millions in Elevators Which Will Soon Have Capacity of Nearly 20,000,000 Bushels

By CHARLES L. SHAW

VANCOUVER—When Vancouver's plans for expansion of the grain trade through the Pacific outlet are realized this port will be in a class by itself in the matter of grain storage and handling capacity. The programme of construction planned for the present year will put Vancouver ahead of Montreal in this respect, with a total storage capacity of nearly 20,000,000 bushels. The St. Lawrence port has only 15,000,000 bushels capacity.

The fact that this has been a notably poor crop year and that the world wheat market has been somewhat demoralized for one reason or another has not been allowed to give Vancouver a setback as a grain shipping port. To the contrary the comparative lull has provided Vancouver with an opportunity for setting its house in order and preparing for the vast volume of business that is anticipated in future years.

Movement is Past Experimental Basis

The wheat movement through Vancouver is no longer regarded as a freak or an accident, nor is it merely on an experimental basis. The business commodity is going ahead with the conviction that Vancouver as a grain port is a reality and a going concern, and that nothing within the realm of natural occurrences can halt the steady flow of grain through this western opening of Canada's wheat bin.

"Until a few years ago the grain fraternity regarded this westward outlet for grain as just a lucky break—something that was O. K. for Vancouver for just one season or perhaps two, but certainly nothing that would last," remarked a leading Vancouver wheat shipper to The Financial Post "People who held that opinion now realize they were mistaken in their judgment. First, that Vancouver lacked sufficient storage for the amount of business offering; second, that the overworked bogy of lack of cargo space on the Pacific coast was merely the brainchild of alarmists who knew little of the real conditions."

The question of freight rates was for years a serious one in British Columbia. It was made the issue of several political campaigns and the provincial government constantly complained before the Board of Railway Commissioners and the Dominion government of what they considered the unfairness of a schedule of rates that made it unprofitable to ship grain from territory immediately east of the Rockies to the coast in competition with the Lakes route, even without considering the cost of the rail haul through the mountains. A series of judgments by the Railway Board went a long way toward establishing equalization and stabilization of freight rates, and under this new schedule of rates the western flow of grain got under way on a broad scale.

The new conditions made the natural boundary line for shipments to the coast and Lakes at a point about midway across Saskatchewan. Thus, the whole of Alberta and a vast area of Saskatchewan was made tributary to British Columbia rather than to the eastern grain ports. This is a point of major importance inasmuch as future years are bound to see greater production of grain in the western prairies rather than the eastern. Vancouver is counting on the Peace River country, too, and every opportunity is being availed of to link the growing crop of the northlands with tidewater in British Columbia. If British Columbia succeeds in disposing of the Pacific Great Eastern Railway to interests who will extend the line north from Prince George to the Peace River country that dream of a direct line between the north and Vancouver will be realized.

Too many millions of dollars have been invested in the port's grain business to warrant the belief that the growth of the movement in Vancouver has been just a flash in the pan. There are too many natural advantages in favor of Vancouver to justify the claim that the wheat business here is due to an exceptional set of circumstances that will not always govern the situation. The reason for any doubts that may exist about Vancouver lies in the phenomenal advance the port has made in the last few years. The record sounds too good to be true.

Ship Nearly 100,000,000 Bushels

In the short span of seven years Vancouver's shipments of grain have grown from half a million bushels to nearly 100,000,000 bushels. The present year's figures will not be as high as that, but the Canadian wheat situation is too well known to require any explanation for that. Eight years ago the grain business done in Vancouver was negligible. Today the port has half a dozen big grain elevators and the industry has built up a grain commodity of its own with a considerable fraternity of grain brokers, shippers and so on. Establishment of a Vancouver grain exchange was an important step in the advancement of the port's grain interests.

The building of the Panama Canal made possible Vancouver's growth as a grain port, and yet many years passed after the completion of that project before Vancouver commenced to realize on that opportunity. Shortly after completion of that canal a trial shipment of wheat was shipped to the Old Country. The experiment was successful, but for some reason or another it was not until four or five years after the close of the war that the wheat movement first gained impetus. The year 1922 witnessed a series of events which forced a large flow of grain this way, and the fact that on one single day seventy ships were lying in Vancouver harbor awaiting grain cargoes established to the world two outstanding facts:

Not only has the Panama Canal enabled Vancouver to compete on favorable terms with eastern ports in shipping to the United Kingdom and continental markets, but this port has also the tremendous advantage of proximity to the Orient.

Potential Markets in Orient

Canadian business is becoming more cognizant of the enormous trade possibilities of the Far East, but in no field are the prospects richer than in grain. The potential market in China and Japan is almost beyond estimate.

"Of Canada's wheat markets the Orient is probably the most promising," said W. Lloyd Craig, one of Vancouver's leading grain shippers who recently retired as chairman of the city's grain exchange. "The market is promising and yet difficult to develop. The export of North American grain across the Pacific is a development of the twentieth century. In China and Japan wheat is consumed only when it is cheap or when the rice crop fails. The Orient is a highly competitive market, but a very good beginning has been made in introducing Canadian hard wheat, and there is no doubt but that the consumption of Canadian wheat in that part of the world will gradually increase. In the meantime we must regard that market as a fluctuating one with shipments three or four times one year what they are in the next.

"To form an opinion of the potentialities of the Oriental market it is only necessary to remember the great population. In Japan the consumption of wheat is only 0.8 bushel per capita and in China it is probably considerably less, but when it is considered that an increase in consumption of one bushel per capita in China and Japan would mean an increased consumption of nearly 500,000,000 bushels there seems to be some justification for the statement that in the future Canada may look to the Orient as her principal market for wheat."

Decline Noticed in Current Season

Grain exports have lagged at Vancouver this year as they have at every other shipping point, but those in the trade declared that the inactivity has finally been broken. Grain shipments for March totalled nearly 7,300,000 bushels, which is 20 per cent of the total for the first eight months of the crop year beginning August 1, 1929, or as great as the combined average of any two preceding months. Shipping men and port authorities expect to see this movement continued until the end of the export year. The months of June and July, which are normally the slackest of the year from the standpoint of grain export, will be as good or better than any other month of the season, it is expected. Since last August approximately 35,000,000 bushels have left the port. This figure is contrasted with 75,620,000 bushels shipped in the same period the preceding year.

High Prices Bring Orient Slump

The decline is partly due to the high prices which have prevailed all season. The Orient, for instance, has purchased only 4,000,000 bushels of Canadian wheat. The Orient, as pointed out by Mr. Craig, will not buy at high prices. In 1929 when prices were lower the Orient bought eight times as much here as during the corresponding period of the present crop year.

The setback in shipments to the United Kingdom is largely due to the Wheat Pool's price policy. Forty-nine million bushels were shipped from Vancouver to the United Kingdom during the past eight months of last year as compared with 21,000,000 this year.

Nevertheless Vancouver grain men consider that this port has more than held its own in the face of the sternest competition and that its prestige has been increased rather than lessened by the year's experiences.

Four Million Dollar Construction Programme

To show that Vancouver means business the Harbor Board is going ahead this year with a construction programme that will cost approximately $4,000,000. F. R. McD. Russell, chairman of the board, recently returned from Ottawa where he conferred with federal officials regarding the expenditure of part of the Dominion appropriation of $10,000,000 for port improvement. A large proportion of this total vote will be expended on grain handling facilities.

Broadly this programme consists of the following works.

1. Construction of a 2,000,000 bushel addition to elevator No. 1, now under lease to the James Stewart (Winnipeg) interests. Plans have been sent to Ottawa for approval so the building can be completed in time for the new crop.

2. Addition of at least 1,000,000 bushels storage to No. 2 elevator, leased to and operated by the Alberta Pool Elevator Company. Negotiations are now under way for this project and it is expected to start building this summer.

3. Addition of 2,500,000 bushels storage to elevator No. 3., under lease to the United Grain Growers, Ltd. This work is now the subject of negotiations, a favorable termination of which is expected at any time.

These additions will give the port a storage capacity of 19,885,000 bushels.

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The Wawanesa Mutual Insurance Company

CANADA'S LARGEST FIRE MUTUAL

Fire Windstorm Automobile

FINANCIAL STATEMENT
for year ending 31st December, 1929

ASSETS	
Cash, Bonds, Etc.	$1,087,124.01
Assessments Unpaid	77,115.00
Premium Notes Unassessed	1,593,986.51
Furniture, Autos, Etc.	10,593.40
	$2,768,818.92
LIABILITIES	
Reserve for Unearned Premiums	$ 126,433.46
Net Losses Unadjusted	41,977.58
Accounts Payable and Reserve for Taxes	10,121.83
SURPLUS for Policy Holders' Protection	2,590,286.05
	$2,768,818.92

Certified correct,
C. D. CORBOULD, C.A.

Total Assets for Protection of Policy Holders $2,768,818.92—an increase for 1929 of over $91,000.00.

Business written in 1929—$68,870,119.00.

Total Insurance in force $169,360,394.00—an increase for **1929** of **$17,077,885.00.**

The Wawanesa Mutual Insurance Company has more fire insurance in force in Western Canada than any other Company operating in that territory.

Head Office: **WAWANESA, Manitoba.**

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Commodity Exchanges

(Continued from page 35)

the last century the growth and development of the time contract and its gradual evolution toward the system of organized future dealings had been forced by the necessities of the export trade of the world.

The establishment of futures trading has made it possible for the merchant dealing in graded or staple commodities to carry on business without speculating, and it has, moreover, provided price insurance of benefit to all classes.

In 65, or approximately one half of the commodity exchanges listed by Mr. Price, merchandise is dealt in for future delivery.

Commodity exchanges provide a market place, but perhaps their greatest service is beyond that, in the provision of price insurance to those engaged in the distribution of commodities.

Provide Insurance Against Price Risk

An American writer recently described this function of futures trading on commodity exchanges as follows:

"The service performed by these exchanges is the provision of price insurance to those engaged in the distribution of commodities. This price insurance makes it possible for producers, consumers and dealers to protect themselves against a decline or advance in prices which might prove ruinous to them. It is obtained through the process called "hedging," which is, as the term implies, a cover in two markets, or, to draw an analogy from sports, a bet on both teams. If the merchant is long of the actual commodity, he sells an equivalent number of contracts for future delivery, and, if he is short of the actual commodity, he buys an equivalent number of contracts. Therefore he neither gains nor loses when the market advances or declines.

"This system makes possible the distribution of the commodities traded in on these exchanges upon a smaller margin than otherwise would be the case, to the profit of both producer and consumer. And it is generally recognized that the costs of distribution are invariably less in these commodities than they are in staples which, for one reason or another, are not dealt in on futures markets.

"Successful functioning of a futures exchange presupposes that the aid of the speculator can be enlisted to help absorb the contracts offered for sale and to supply contracts when there is a demand for them. The speculator in rendering this service performs the function of the underwriter in insurance. This function of speculation is sometimes misunderstood, but the truth is that the exchanges can perform their functions properly only when a sufficient breadth of speculation can be attracted. For example a seasonal excess supply of a commodity cannot fail to have a depressing effect upon the price unless speculators, attracted by hope of profit, will step in to carry the surplus above current requirements. The exchange is the only efficient machinery for enlisting the speculative interest that has and can be devised."

Futures trading is often attacked. From time to time various speakers and writers hold it up as something immoral. Futures trading is obviously and apparently speculation. It is just as true, but not as obvious, that the manufacturer who buys raw material in the hope of making a profit by the sale of the finished product made from them is speculating. Any number of factors may enter into his business to enlarge or diminish the expected profit. But when the out-and-out speculator purchases a commodity for future delivery in the hope that it will go up, or sells a commodity short in the hope that it will go down, there is no doubt that he is speculating and even the average person with the most cloudy idea of economics can see it. So futures trading is called speculation and is condemned as such, while cash trading is not labelled as speculation.

Reduces Speculative Elements in Business

This attitude reveals a lack of appreciation of the fact that business itself is speculation. The constant aim of all good business men—be they farmers, merchants or manufacturers—is to reduce the speculative element in their business, and this brings us to the most interesting point about futures trading, namely, that it enables the business man—again, be he farmer, merchant or manufacturer—to lift most of the speculative burden in his business off his own shoulders on to the shoulders of willing out-and-out speculators. This is not sufficiently appreciated—the fact that futures trading does not increase the speculative element in business, but rather decreases it considerably.

Recently a farm magazine in the United States, in discussing the new live hog exchange in Chicago, stated that it believed more good than harm would result to farmers from the establishment of futures trading in livestock. It pointed out that the farmer with a certain quantity of corn which he was feeding to hogs expects to make a certain profit by turning his 90-cent corn into $12 hogs. But he may be afraid that hogs will decline in value. He can cinch his profit by selling his hogs for future delivery. In this way futures trading takes the risk out of his business. He is assured of a certain profit in any event. If hogs should rise in value he loses perhaps some of the profit he might otherwise have made, but if hogs decline in value he will sit back and smile.

Gives to Farmer Higher Price for Grain

Similarly the miller buying grain to be processed into flour, which can only be sold at a future date by selling for future delivery a quantity of grain at the same time he buys grain for cash, can ensure himself of his manufacturing profit on his flour regardless of the way the grain market moves. By so doing he is able to operate on a much smaller margin of profit, because he does not have to put up a large reserve to provide for possible losses in the grain before it is converted into flour and sold as such. He is able to pay the farmer a higher price for grain.

It is this sort of operation that President Hoover had in mind when he said some years ago that it was his belief that those grains that had a free hedging market were marketed more efficiently than those that had not. He pointed out that the margin between the farmer and the consumer in barley was wider than on wheat or corn because there was not the same amount of futures trading. On beans, he pointed out, there was a very wide spread between producer and consumer because there was no futures trading to give balance to the market and provide a cushion against serious losses.

We have demonstrated that futures trading exists not to promote speculation but to reduce the speculative hazards in business. Perhaps a little more detailed discussion of hedging operations in the exchange will make this point clearer.

Some People Who Utilize Hedging

The farmer can drive up to a country elevator on any day of the year and sell his load of grain to the grain company. The elevator company buys it because it is able at once to make a contract on the trading floor of the Winnipeg Grain Exchange for the delivery of a corresponding quantity of grain at a future date. Knowing the price at which it is able to sell this grain and being protected against fluctuations in the market, it is able to pay to the farmer the highest possible price, a price that gives to the grain company merely its normal handling profit.

Across the water in England there is a miller who wants to contract with his baker customers for flour to be made and delivered four or five months from now. He can sell to them at a fixed price because he can send instructions to the commission merchant in Winnipeg to buy for him the required quantity of grain for delivery at the time he wants it.

Or consider the miller in Canada who wants to keep his mill grinding although he has yet no contract for the sale of his flour. He can go into the market and sell for delivery at a future date the quantity of wheat equivalent to what he is buying for cash to grind in his mill. When his flour is sold he can buy back his futures contract and, as the prices of flour and wheat fluctuate together, it will not matter to him whether prices go up or down in the meantime.

Commodity Exchanges

1. They provide a free and often an international market.
2. They establish price levels based on information gathered from all over the world.
3. They reduce costs of distribution between producers and consumer.
4. By providing for futures trading they enable producers, processors and consumers to insure themselves against serious price changes.
5. By interesting speculative traders they lift the burden of price risks off the shoulders of producers and merchants and hand it over to speculators willing to assume it.

Then there is the case of the exporter of grain who gets a big order for wheat from abroad. It will take him some weeks to make his shipment, but he can agree upon the price with his foreign customer because he is able to go into the market and buy the required quantity for future delivery.

In these cases, farmers, millers, exporters, etc., have been protected against price fluctuations by their ability to buy and sell in the futures market.

Most Futures Contracts Are Cancelled

Most of these contracts for future delivery are not carried out but are cancelled by subsequent transactions. The interest which has sold wheat for May delivery may dispose of its grain in April and buy back a quantity of May wheat to cancel the first sale. The customer overseas who originally bought May wheat may secure his requirements before that time and will accordingly have May wheat to sell. These transactions in the futures market which are made for the purpose of protecting the cash transactions against loss are spoken of as hedging. Hedging is the use of the futures market to take the risk of price fluctuations out of the ownership of grain.

In the futures market, grain is traded in for delivery in the months of May, July, October and December. The contracts are sometimes known as options because the vendor has the option of delivering to the purchaser on any day he chooses during the month specified. That is, if you have sold May wheat you are at liberty to wait until May 31 before making delivery, but if you have bought May wheat you may have it delivered to you and have to make payment on any day from May 1 to the 31. Grain sold on the futures market must be delivered in store in the terminal elevator at Port Arthur or Fort William. A contract for future delivery cannot be satisfied by tendering grain in a country elevator or in railway cars en route to destination.

Futures trades are made on the basis of the top grades of grain with the privilege of substituting certain other grades at specified prices. Wheat is quoted on the basis of No. 1 Northern, but the seller may substitute No. 2 Northern at three cents a bushel less, No. 3 Northern at eight cents a bushel less and No. 4 wheat at 21 cents a bushel less. No other grades of wheat may be tendered in completion of the contract.

Open Trades Openly Arrived At

The futures contract is originally made between two members of the Winnipeg Grain Exchange on the trading floor during the regular market hours. They are entirely open market transactions made by the centuries-old plan of "public outcry." The man who offers to buy at a certain price must accept the first offer made to him to sell; the man who offers wheat must close with the first member who accepts his offer. The Grain Exchange members are probably acting for farmers, grain elevator companies, millers, exporters, importers or others who have employed them at small commission of one eighth of a cent a bushel for the purpose, or they may be made by floor men representing the individual parties to the transaction themselves.

Once the buyer and seller have made their deal, direct relations with each other in respect to their transaction are finished. The clearing house takes over the matter from that time and each party makes his subsequent settlement with the clearing house. The clearing house guarantees completion of the transaction and does so by requiring members to put up a sufficient margin to protect the undertaking.

The clearing house does not retain this money but turns it over to the member on the other end of the transaction. Of course the amounts of money that change hands each day are the net balances between the different firms.

Again, when the delivery months come it is clearing house which arranges delivery.

Grain Hedged Several Times in Journey

The futures contract, as we have seen, is limited and indefinite with respect to time of delivery and to grades, but it is definite with respect to price and quantity. The purchaser of wheat, on the other hand, wants definite grades to dispose of at definite times. So as a rule neither purchasers nor sellers wish to wait for futures contracts to be filled by deliveries through the clearing house. So, when delivery time comes, the purchaser goes out and buys cash wheat that is actually in store in the terminal elevator and pays for it in cash. The technical details of satisfying futures contracts are well defined but need not interest us here. It is sufficient to say that the machinery existing is sufficient to close out transactions as easily as they are entered into.

Hedging is so much a part of the process of handling grain that it may be said that most grain is hedged practically from the time of sale by the farmer until it passes into consumption. When the banks loan money to a grain company against the grain it buys through its country elevators, it demands that it be hedged. The milling companies are among the principal users of the hedging system, for they go through the process practically twice with every bushel of grain they grind. When the miller buys wheat he sells wheat for future delivery. When he sells flour he buys back his contract. Because of this ability to hedge, he can keep his mills grinding steadily away, unworried about changes in price, and with his operations limited only by his ability to find a market for his flour.

Few Grain Men Speculate

The principal handlers of grain such as the elevator companies, the terminal companies, the millers and exporters have no desire to do a speculative business. Some of them do speculate in grain but they are exceptions. They count on making their profit not out of fluctuations in wheat prices but in the handling charges which they exact en route and which are fixed by governmental regulations. These charges are reasonable and amount to a small sum per bushel of grain between producer and consumer.

The futures market, providing for hedging operations, is one of the things that enables our grain handling system to function smoothly and efficiently and by doing so it adds to the value of the Canadian crop and to the price received by the farmers. Thus futures trading and the commodities exchange are great economic necessities.

Who Makes Profits and Takes Losses?

We have seen that futures trading is price risk insurance. We have seen, too, that if this risk has been lifted from the shoulders of those who handle grain, it has been assumed by somebody else. It is assumed chiefly by speculators, both professional and amateur.

The question will naturally be asked: who makes the profits or suffers the losses if the farmers, grain people, millers and bakers do not? The speculator, of course, gains these profits and suffers these losses. And at whose expense? This is a fair question. Certainly not at the expense of the average farmer because without the speculator a lower price would have prevailed. Of course, if the farmer sells too soon he loses, but, on the other hand, if he had waited for higher prices he may have lost. Not at the expense of the consumer because the conditions of supply and demand which fixed the price at the time of ultimate sale would probably have left the price the same. The profit, had the speculator not been there, might have fallen to the trade, to the elevator company, to the exporter, to the miller, to the baker, even to the farmer if he had held his wheat. But this is a profit that these people do not want, which they are perfectly willing to give up in return for guarantees against loss.

On the other hand, if the price goes down and the speculator loses, whose is the gain? It is the producer's, for he has evidently received, owing to the speculator's error, a higher price than actual conditions would have warranted and higher than he would have received without the speculator's intervention.

Professional and Amateur Grain Speculators

All kinds of people speculate in wheat but they may be conveniently divided as professionals and amateurs. The amateurs, those outside of the grain exchange, employ brokers to execute trades for them at a commission of one eighth cent a bushel each way, or a total cost of one quarter cent a bushel to buy and sell grain. If the amateur operates with good judgment and has a reasonable amount of sound information at his command, he has as good an opportunity to make money as he has in speculating on the stock exchange. On the whole, though, most amateur speculators in commodities lose over a term of years just as amateur speculators in stocks lose over a term of years.

Professional speculators have things in their favor. Operating usually as members of a commodity exchange they can trade frequently without their capital being eaten up in commissions. They operate, too, with special knowledge gathered from the ends of the earth. They are wrong frequently, but they are likely to be right slightly oftener than they are wrong. Essentially they are in the business of insuring people against risks. They will have losses just as often as insurance companies will have losses, but in the long run they are confident they are apt to make a return on the money they risk and to get payment for their personal services.

One point ought to be emphasized, although it has been mentioned briefly earlier in this article. It is the fact that the large volume of speculative transactions on the exchanges provide a much larger and therefore a much more liquid and freer market than could be provided by actual cash transactions. Whenever wheat looks cheap the speculator will buy. Whenever wheat looks to be selling at too high a price the speculator will sell. They will buy or sell grain for a fraction of a cent a point profit if they can see a good possibility of making it. They will buy or sell from anyone, whether from another speculator or from an actual holder of grain. Likewise they will sell to anyone who can buy from them. Thus grain exchanges, with large speculative interests, provide such a ready market that any amount of grain can be sold at any time or any amount of grain purchased.

Early History of Wheat Growing

The first successful harvest of spring wheat in the Prairie Provinces was harvested in 1815 by the settlers of Selkirk following two disastrous and discouraging years. Up to 1831 the colonists, we are told, did not produce more than their own requirements but during the year the Governor of the Hudson Bay Company offered to handle any surplus they might have. This stimulated interest in wheat growing as a business but unfortunately when the needs of the company were supplied the prices fell to a point which rendered further development unattractive. Added to this there developed certain complaints against the poor quality of the flour furnished by the growers due to improper methods of milling and handling. This resulted in the company deciding to buy the whole wheat and mill it themselves under supervision. For this purpose windmills were used at first rather extensively although before long these gave way to more advanced methods.

British Importer Says Europe Unable to Buy

Hence Efforts Are Being Made to Avoid Importation—Sees Prospect of Still Lower Prices

"Europe is grimly determined to become more and more self-supporting, believing that it is better to pay even more for home-grown produce than for imported and to spend the money with her own people rather than to let it go out of the country to buy from others." This statement was made recently by a large British grain importer in a letter to his Canadian correspondents.

Discussing the outlook for European purchases this year of Canadian wheat, he said:

"There is no improvement or any sign of improvement on this side. In fact, we have never in the whole course of our experience seen the prospects for lower prices so evident as now.

"We wish to be most emphatic in pointing out to you that Europe is stricken with poverty and is determined not to buy one ounce more of imported commodities than she is positively obliged to buy.

"France is not likely to purchase any wheat for the rest of the cereal year unless something goes radically wrong with her new crop which will be raised upon an increased acreage.

Tries to Feed Herself

"Germany realizes that she cannot pay her reparations and import commodities at the same time, and is fully determined to work hard and grow sufficient to feed herself and to balance her national accounts on the basis of an excess of exports over imports.

"Italy is striving to grow sufficient within her own borders to feed herself, and although she may not achieve this object absolutely, she will attain it sufficiently to cause her importation requirements to be so negligible that they will hardly be felt in the market at any time.

'All the other countries of Europe are working to the same end, even poor despised England, (despised only as far as her wheat production is concerned) is working upon lines which will lead to a very much greater production of wheat within the next five years. Why? Because we cannot afford to buy an ounce more than we are positively obliged to buy.

No Must About It

"We do not think that the American Government or the Canadian Pool really appreciate what is going on in Europe today. Europe is laughing, not unkindly but pityingly, at the grotesque performance of those who are holding up wheat on the assumption that Europe must buy. There is no must about it. Europe cannot buy anything which is in the category of a luxury. Europe views imported wheat as a luxury because her citizens can be fed mainly upon home-grown wheat, and therefore it is only to the United Kingdom that exporters can look for a steady demand based upon usual requirements. The other countries of Europe will only buy just comparative fragments as from time to time they require them for mixing purposes, and unless something goes radically wrong with the new crops in Europe, we do not consider that the average weekly requirements will at any time exceed 9,000,000 bushels.

"We are suffering from over production combined with hold-up tactics on the part of those who have grossly miscalculated the European position both as regards requirements and as to Europe's capacity to pay.

"Europe is full of grain of all sorts, and it will be a very long time before we recover from the present depression.

Production Outstrips Demand

"The production of wheat in the world has far out-stripped the demand, and it appears to us that this fact is taking a long time to sink into the minds of those who have held up Europe to ransom so successfully in the past, and who are now being paid back in their own coin.

"In the United Kingdom the position is that the millers have combined on the question of the selling price of flour, and when the flour is sold the price is such that wheat can be bought and milled at a profit. The baker can make a good margin of profit between the flour price and the bread price. Therefore neither baker nor miller has any incentive to go to the market and buy largely.

"The whole position looks to us to be without hope for holders, because we cannot see any increase in demand as prices decline. Only a decrease in production can alter the situation."

Travelling Machines to Clean Seed

Quality as the determining factor in marketing Canadian wheat is now being stressed in Alberta as perhaps never before. There is a growing feeling among western producers that in this direction, rather than in the lowering of production costs, lies hope for more profitable wheat selling in world markets. As a first step, greatly increased attention is to be given to the matter of quality seed.

Six travelling seed-cleaning machines will be constructed in Edmonton during the coming summer and will be put into commission in Alberta next autumn.

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Farm Mechanization In Solving Problems Of Prices and Labor

Tractors and Combines Are Being Sold in Large Quantities in Western Canada and Are Relieving Peak Load in Harvesting as Well as Enabling Grain Grower to Meet Reduced Level of Prices

Rapid reorganization of the grain growing industry of Western Canada is now in process. The tendency is in the direction of larger farms, better managed and equipped with the most modern agricultural machinery. It may be that in the mechanization of western farms and the enlargement of the average size of these farms lies the surest promise of continued prosperity for western agriculture. With dollar wheat practically present in the economic situation, former methods of grain production must give way to mass production methods that will lower the cost of producing a bushel of wheat or a bushel of rye or a bushel of oats.

What is happening in agriculture today is exactly what happened in industry at the time of the Industrial Revolution. Agriculture has lagged behind manufacture and transport in the introduction of cost-reducing methods. But within recent years notable strides in the direction of putting machinery to work on the farm have been taken. There are a number of factors that have been responsible for this. One has been the drift to the cities which has drawn large numbers of farmers and farm workers to industrial centres. This depletion in farm population has made it necessary for owners and operators of farms to replace the lost labor with power. Since farm mechanization has followed the decline in farm population it has not created serious unemployment problems as did the initial stages of the mechanization of industry. Another factor in the situation has been the tendency of agriculture products since the war to decline in price more rapidly than the decline in the general price.

Since the real value of farm products is what they will purchase for the producer, this has created a certain lack of prosperity in farming areas. It has been imperative for producers to lower costs of production in order to give them a reasonable profit for each unit of production. Machinery has been used to effect this reduction in cost.

Wave of Mechanization Sweeps Farms

Also present in the situation has been the continued competition for our producers from countries where wage levels have been exceedingly low.

As a result of these influences a wave of mechanization has swept across Canadian farms and have left its direct imprint on grain growing in the western prairies.

The movement has been decidedly aided by the development of internal combustion engines run by fuel oil, kerosene and gasoline. Steam power, such as was used in the old-fashioned threshing machine, was not economical because it demanded a steady supply of coal or wood. Electricity has proven of value on farms where pumping water for livestock, milking cows, and lighting hen houses is of value, but it is not adaptable to ploughing the fields or to seeding and harvesting the grain crops of the West. Oil or gasoline is easily transported to country points and from railway stations to farms; it is economical and efficient; it is used in engines that are so common that expert attention is not required, and so the internal combustion engine is the engine of the farm.

Each Farm is Now Agricultural Factory

Farm mechanization is making of each farm a factory for the production of food. Industrial principles are applied. Just as industry finds it profitable—within reasonable limits—to enlarge the size of its plants so as to make the fullest possible use of the largest possible machines and to increase the production per worker, so the farms are growing in size, are using more power per worker involved and are similarly getting larger production per worker. In 1911 there was one worker for every 38 acres in rural Canada. In the three western provinces there was one person for every 62 acres, but by 1926 there was a per capita area of 87 acres for each person engaged in agricultural pursuits on the prairies.

Between 1921 and 1926 the number of farms in Western Canada decreased by 7,495 whereas the area under cultivation increased by 4,401,359 acres. The improved area per farm was increased by 26 acres in Saskatchewan and by 30 acres in Alberta. C. W. Peterson, of Calgary, who quotes these figures, points out that between 1911 and 1926 rural population in the three western provinces increased by about 54 per cent, but the area in wheat increased by nearly 200 per cent.

It is likely that the western farm, which in pre-war days generally suggested a quarter section of 160 acres or at most a half section of 320 acres, will achieve a figure for the normal farm of around 640 acres or one square mile. It is possible for a farmer and, let us say, two sons, with a minimum amount of extra help, to handle grain growing on an area of this size. He will require to have large tractor-driven ploughs, efficient mechanical seeding equipment and a combine harvester. Net savings of many cents a bushel in production and harvesting costs are simple on such a farm. Professor Ottewell, of the University of Alberta, has stated, after scientific tests made over a term of several years, that the cost of producing a bushel of wheat has been reduced by the application of mechanical power from 75c. a bushel to below 40c. The significance of this statement lies in the fact that the savings referred to will fully take up the slack of the decline in the average selling price of grain in the last two or three years.

It is estimated that between 1926 and 1929 the percentage of farms with tractors increased from 15 to 32 per cent in Saskatchewan and 42 to 23 per cent in Alberta. The statement is made that more tractors were sold in the three prairie provinces in 1928 than in the whole five years, 1920 to 1925.

Many Combines Sold to Western Farmers

There has been an even more striking increase in the use of combined reaper-threshers. This remarkable machine, which greatly reduces the number of operations involved in cutting and threshing of grain, has sold in great numbers in Western Canada. Although there were probably less than five combines in the West prior to the harvest of 1924, there are at least 8,000 now in use on Western Canada farms. The present popularity of the combine is largely an outcome of the narrow margin that existed between the cost of production of wheat and its return value in the years from 1920 to 1924.

The combine harvester thresher, as its name implies, is a machine designed to harvest and thresh in a single operation. The best known is the straight combine and where conditions are favorable it is the most economical means of harvesting that has yet been devised. In certain areas, however, modifications of the combine have been found necessary, of which the chief one is the Windrow harvester, which cuts the crop and lays the grain along the ground in a row, later to be threshed by the combine through a special device for picking up the grain.

Fits 640-Acre Farm

It is fortunate that the combine fits into the 640-acre farm to which the West is moving, and, in fact, the capacity of the combine is likely to be a determining factor in the size of many western farms. Six hundred acres is considered to constitute a fair season's work for a combine with a fifteen-foot cut or 400 acres with a ten-foot combine.

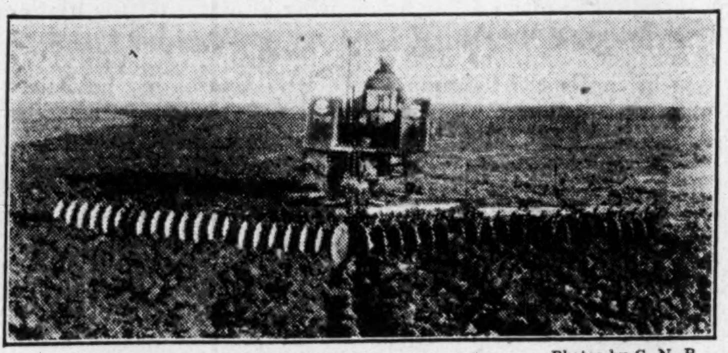
One outstanding result of the introduction of a combine on the farm is that the peak load of work has been transferred from the fall to the spring. The combine largely eliminates the necessity of a large crew of workers in the harvest season. Owing to the increased necessity for early maturity it enhances the desirability of early seeding, and this has been the motive behind the increased demand for one-way discs, larger disc harrows and wide seed drills. The combine has been a factor in increasing the number of medium-powered tractors. The tractor has a greater capacity than horses, both in the matter of speed of operation and the number of hours of work per day. The tractor, which was probably purchased to pull the combine, is used with the larger tillage and seeding implements. Thus the combine has been a decided factor in the increasing motorization of all phases of grain-growing.

Farm mechanization is revolutionizing western agriculture. It is helping the farmer to meet his new problems of lower prices. It is having very far-reaching social influences, one of which is the elimination of the harvester excursion and another of which is the reduction in the flow of immigrants to the West. It undoubtedly is serving to make the business of operating a farm more in the nature of an executive than a manual job. It is certain to increase over a term of years the average income of each person employed. The use of machinery in industry, which added the force of mechanical power to the physical limits of each individual worker, had exactly that effect. Farm machinery is making grain-growing a more profitable, a more interesting proposition.

More Machinery on Farms

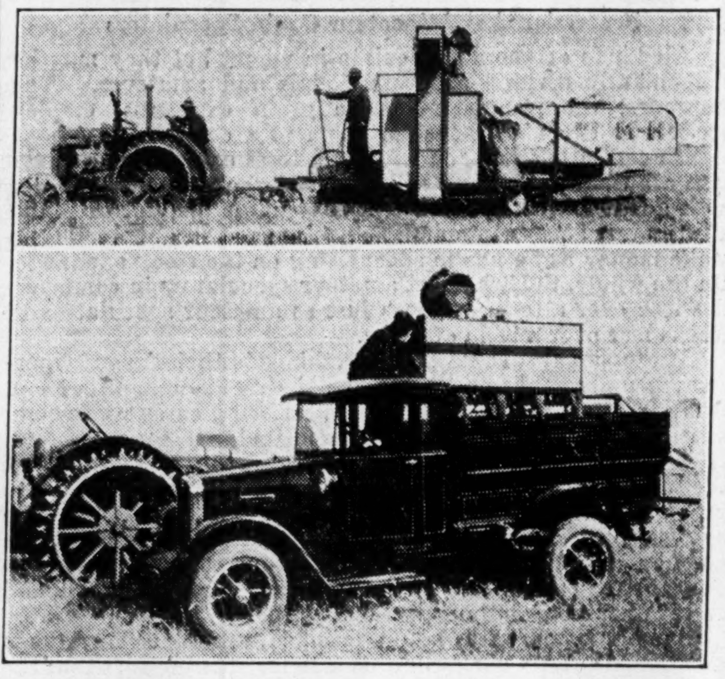
It is expected there will be a very large increase in the amount of power machinery used on the farms of Western Canada in harvesting this year's crop. Farmers are being forced to cut their cost of operation by doing away as much as possible with human labor and adopting the modern devices for cutting and threshing grain. There will also be a considerable increase in the amount of steam plowing.

Larger Farms Require Machinery



—Photos by C. N. R.

With the tendency to larger farm units developing in the West, large tractor-driven plows such as this are becoming popular.



A combine in operation on a western farm. Lower photo shows type of farm-truck that is replacing horse-drawn wagons for grain-haulage.

Competition Necessitates Wider Use of Combine

Canadian Farmer Must Beat Foreign Grain-Growers by Use of Machinery

By E. F. BRAYHAM

It goes without saying that the use of modern machinery reduces costs of production and also contributes materially toward efficiency and elimination of waste. The greatest wealth-producing and wealth-distributing agency in this country is wheat. At present wheat is depressed owing to the fact that the cost of producing this commodity is higher in Canada than in other countries which have large exportable surpluses. There are no less than 248,000 farms in the three prairie provinces alone and the average area occupied by each of these farms is given as half a section or about 320 acres. Until the end of last year it was reported that there were only 7,726 combines in use in our West, or, in other words, there is just one combine to every forty farms in Canada. It would be interesting to compare these figures with that, say, of State of Kansas, the largest wheat producing state south of the border. In that state alone there are over 21,000 combines in use today, or about three times the number operated in our three prairie provinces—five times the size of Kansas. The number of tractors in use in Western Canada is one tractor to every 4.6 farms in Manitoba, one to every 4.7 in Saskatchewan and one to every 7.5 in Alberta.

Although the use of the reaper-thresher machine is generally known in Canada, a number of farmers are unable to purchase one owing to lack of means. Obviously production costs are maintained at a higher level than in other parts of the world where the combine is invariably employed by the producers of wheat. Australia is already totally combine-converted, and the Argentine is rapidly becoming combine-wise.

Must Bring Costs in Line

It would seem that unless the Canadian farmers fully appreciate the possibilities of the combine for harvesting, Canadian grain will be difficult to sell in the world's markets owing to higher prices asked in order to make a fair margin of profit. Canada, as a rule, is the biggest single exporter of wheat because of the large yield and limited consumption internally. This season the Argentine has exported already over 105,000,000 bushels of wheat against Canada's 96,000,000, the United States' 93,000,000 and Australia's 34,000,000. It is obvious that Canada may lose her markets for wheat unless immediate steps are taken to bring values of this commodity in line with those of other wheat-producing countries.

In some circles it is held that by reducing the acreage, thus curtailing production, high values for wheat can be maintained in the world's markets. This, however, goes against the practical policy of mass production which encourages mass consumption. If wheat can be bought cheaply, numerous nations would eat more bread in preference to the substitutes which are at present consumed. The per capita consumption of wheat grain of the principal countries, with other data, is as follows:

	Per Capita Consumpt'n	Population	Total Consumption Bushels	Aver. Produc'n 1923-1928 Bushels	1929 Production Bushels
Canada	7½ bu.	10,000,000	75,000,000	430,883,000	299,520,000
France	7½ bu.	41,000,000	307,500,000	279,378,000	319,863,000
Italy	7 bu.	42,000,000	294,000,000	213,479,000	260,669,000
Belgium	7 bu.	8,000,000	56,000,000	14,654,000	15,995,000
Great Britain	6 bu.	45,000,000	270,000,000	53,099,000	49,625,000
Australia	5½ bu.	7,000,000	38,500,000	140,468,000	125,000,000
Spain	5½ bu.	20,000,000	110,000,000	142,132,000	154,249,000
Argentine	5 bu.	10,000,000	50,000,000	234,447,000	139,882,000
United States	4½ bu.	120,000,000	540,000,000	827,090,000	806,508,000
Roumania	4 bu.	17,000,000	68,000,000	100,074,000	84,510,000
Germany	2½ bu.	62,000,000	155,000,000	111,900,000	123,073,000
Poland	1½ bu.	30,000,000	45,000,000	54,843,000	60,259,000
India	1 bu.	330,000,000	330,000,000	335,751,000	317,595,000
Japan	¾ bu.	60,000,000	45,000,000	29,482,000	30,496,000

Could Easily Raise Consumption

In studying the above, numerous interesting facts present themselves. It will be noted, for instance, that the average consumption would work out to about four bushels per capita and there are at least four thickly populated countries which are at present below the average per capita basis. If Germany, Poland, India and Japan were to absorb another one half bushel per capita annually, there would arise a need for nearly 250,000,000 bushels of wheat to take care of this consumption. This is not difficult to achieve, for substitutes which are used at present for bread costs roughly 25 per cent less than wheat, so if the price of wheat can be reduced by about a like percentage, it would naturally follow that bread grain would be preferably and invariably adopted.

World Wheat Situation in Brief

Countries with large exportable surpluses are Canada, United States, Australia and the Argentine, while Spain, Roumania and Poland have smaller surpluses. Nations who need to import wheat grain in order to supplement their own production are Great Britain, Italy, Belgium, Germany, India and Japan, with France as well on an average crop. The world's greatest per capita consumers are Canada, France, Italy, Belgium and Great Britain, with the United States India, Roumania and Spain aggregating high. Potentially, two Asiatic markets are worthy of attention owing to their dense population and extremely low per capita consumption. India raises an average crop of 316,000,000 bushels annually, of which she exports to the United Kingdom, France and Belgium about three hundred thousand tons (approximately 18,000,000 bushels) annually. This in turn is replaced by importations from Australia, Canada and the Argentine.

There exists at least two factors present in India today which would tend to encourage increasing importations of foreign wheat. First, the decided movement by the natives to replace their staple food, rice, with bread; second, the steadily increasing population of that country. If flour can be bought at lower prices there is no doubt that it will be used instead of rice, for the former is infinitely more nourishing. During the last thirty years the population of India has increased by nearly five per cent despite the large coolie immigration to other tropical lands. Another important country which looms potentially as a big buyer of this commodity is Japan with her 60,000,000 people. Japan produces roughly 30,000,000 bushels. If she were to increase her consumption by, say, three quarter bushels per capita she would need another 45,000,000 bushels of wheat.

Question of Consumption is Related to Price

Hitherto the production of the world's wheat has generally been approximately 10 per cent in excess of consumption, but this condition could be reduced and the wheat acreage increased if the price were in line with the buying power of the countries where wheat could be used. But, and this is the paramount consideration, the whole question of increasing consumption revolves on the axis of price. Can the cost of producing wheat be reduced? This question answers itself because of the combine which has proved to be the principal cost-reducing medium. Australia has made large scale wheat growing and selling a phenomenal success, so has the Argentine. In both these countries the combine reaper-thresher has proved to be the biggest single influence in the life of the wheat farmer today, solely attributable to the economy effected and the adaptability of this machine. The United States have on an extensive scale converted areas which were utilized for cattle breeding and cotton growing into wheat fields. Most of the southern and midwestern states are plunging headlong into wheat and have succeeded in disposing of their best grades competitively.

Withal, one might recall with advantage that the combine is equally useful for all standing crops, such as oats, barley, fall rye, peas and flax. What is desirable at present in Canada is a concerted effort on the part of the prairie governments to assist in harvesting crops on behalf of those farmers who are themselves unable to own a combine. The time is nigh when such steps become imperative in order to preserve our principal wealth-creating medium, namely wheat farming. Otherwise, it is going to be very hard for our farmers to show any profit on their produce in the light of the necessarily keen competition which has arisen in this commodity in the world's markets.

Prophecy by Dr. Magill Not Long Coming True

Three years ago, in the First Grain Number of The Financial Post, there was published an address that had been delivered in Winnipeg by the late Dr. Robert Magill, secretary of the Winnipeg Grain Exchange. Some parts of this speech, when read now, almost make it seem that Dr. Magill was endowed with prophetic vision. The facts are, of course, that Dr. Magill's viewpoint was based on a sound knowledge of the fundamentals of international trade, and that he would not surrender an honest belief and support something which his experience told him would not stand the test of time. A lot has been said during the past months about international grain marketing, and there is little, if any, of what has been said that is of as much value or merits the same serious consideration as the statements made by Dr. Magill in his speech in 1926.

The following is a prophetic excerpt:

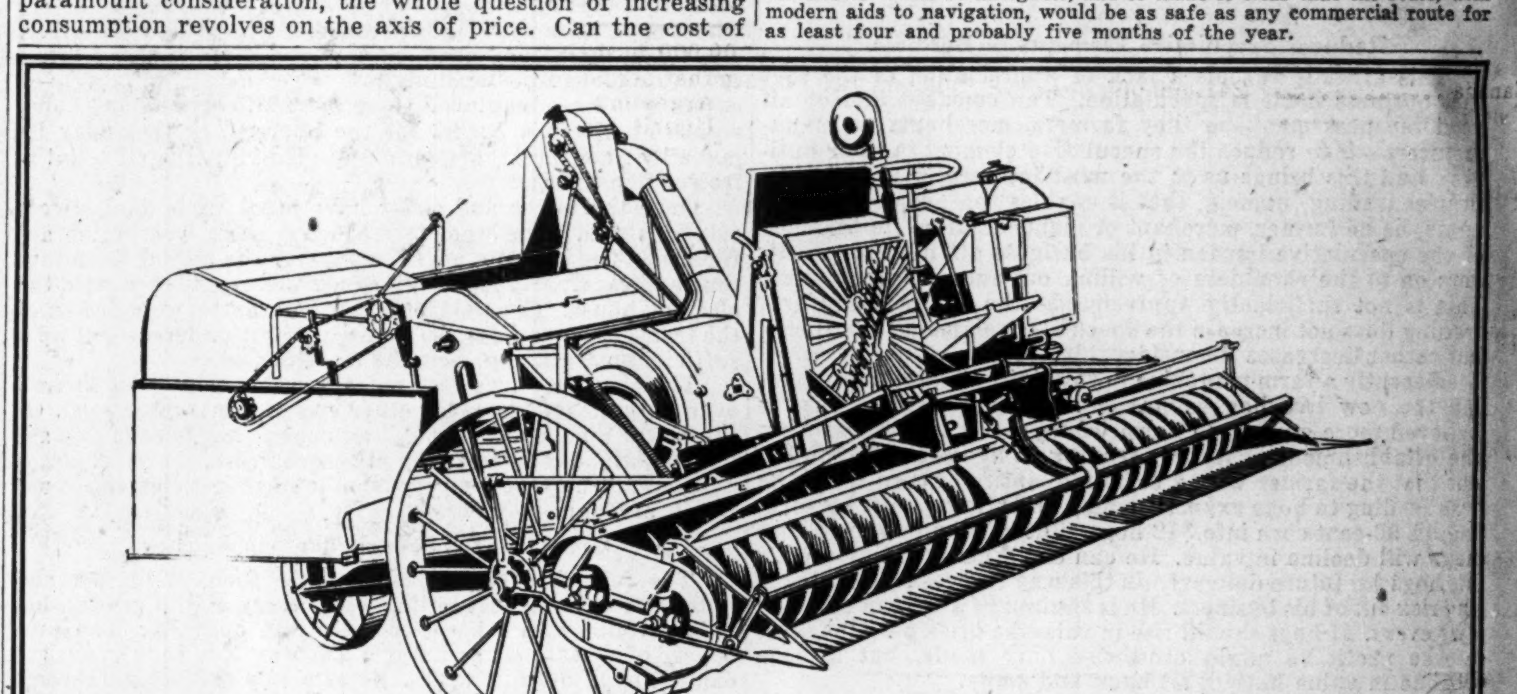
"If any of us has dreams that by any method of combination in this country, or by any means of combination between this and other countries, we can force the price of our wheat beyond what I may call its natural competitive value in relation to other foods and other wheats, and to a point beyond which our buyers can afford, we shall meet with a rude awakening."

Soon Let Churchill Elevator Contract

Work in connection with the port of Churchill on the Hudson Bay has been proceeded with as expeditiously as possible and will be as expeditiously pushed as is humanly possible, declared Hon. T. A. Crerar, minister of railways and canals.

The minister announced that the contract for a 2½ million bushel grain elevator would be let about the middle of May, and that the construction of docks and provision of a water service for the town had been undertaken by the department of railways and canals.

Mr. Crerar emphasized the possibilities of the route because of its shorter distance to Liverpool, and announced that in order that high insurance rates would not handicap development of the route, said everything is being done by the government in efforts to remove misconceptions regarding the danger of navigating the straits, to demonstrate how long the straits would be navigable, and to make it clear that the route, with modern aids to navigation, would be as safe as any commercial route for as least four and probably five months of the year.



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CUTS HARVESTING COSTS IN HALF

Two pioneer Empire industries of Australia and Canada have brought to America the famous SUNSHINE-WATERLOO Combine Thresher. This machine, used successfully for many years in the great grain belts of Australia, is the only Self-propelled Combine in the world. Eliminating the necessity of an extra tractor and mechanic, the Sunshine-Waterloo has cut harvesting costs to astounding new low levels. This remarkable machine embodies features found in no other combine. Its ability to handle tough and badly tangled grain is amazing. So great is the demand for the Sunshine-Waterloo that present production facilities have already been found inadequate and a large factory will shortly be erected for the manufacture of combines for Canada, United States and Argentine.

An interesting folder describing the Sunshine-Waterloo will be mailed free upon request.

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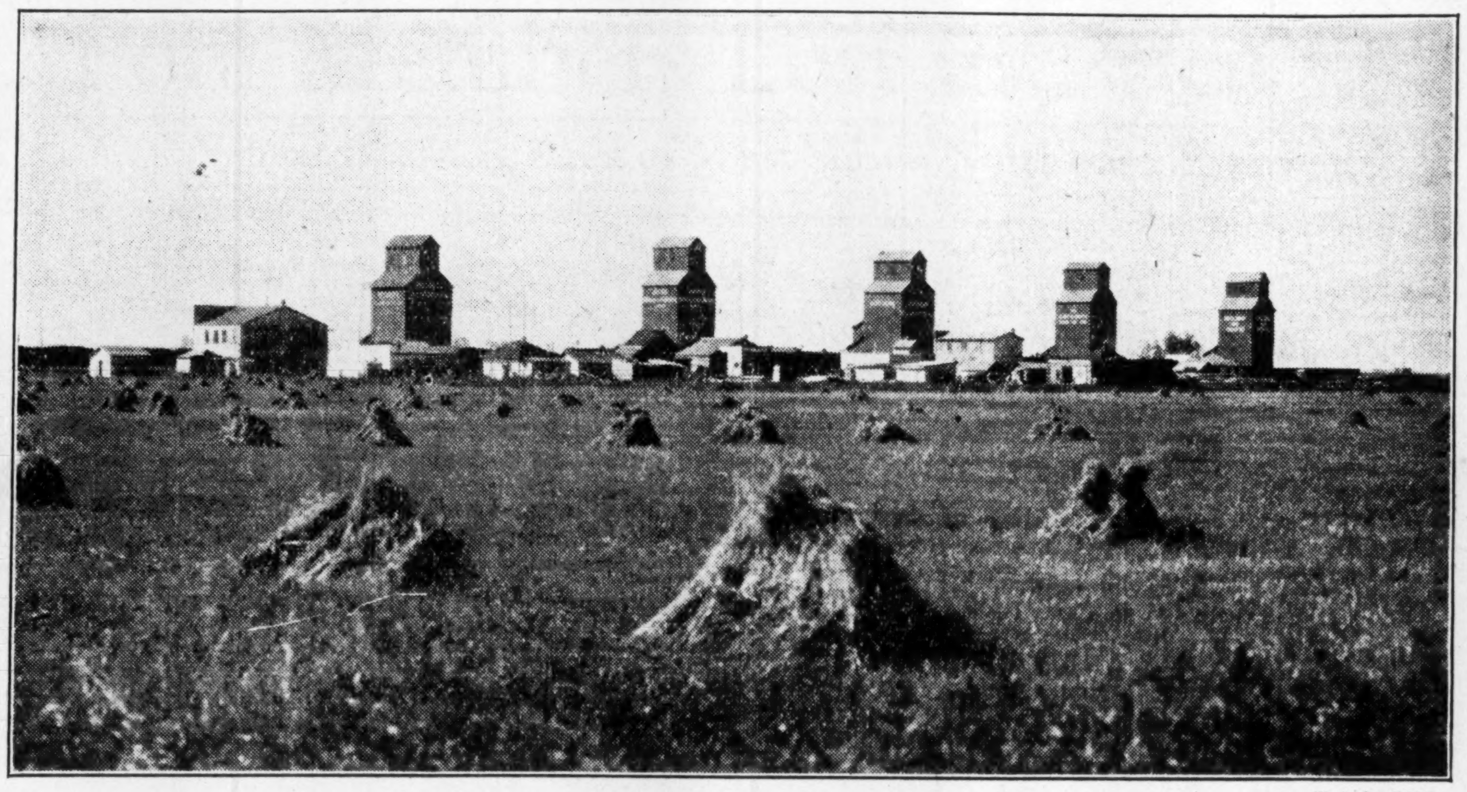
The Sunshine-Waterloo Harvesting a Heavy Crop of Wheat.

The Sunshine-Waterloo Harvesting a Crop of Badly Tangled Barley.

Wheat Belt Swings Northward as Peace River Opens Up



A scene at Brownville, Alta., a brand-new town in the Peace River district.

—Photo by C.N.R.

Canada is Likely To Hold Its Lead As Wheat Exporter

In First Few Months of Current Year We Were Ousted from First Place by Argentina, But Are Likely Again to Regain Leading Position—Large Outward Flow is Essential to Prosperity of Country

Despite the serious decline in our wheat exports during the current crop year, Canada will probably remain the leading wheat exporting country of the world. It is essential that we retain this position since we have increased our production of wheat to a greater degree since before the war than any other country, with exception of Jugo-Slavia, which is only a modest factor in the world's export wheat trade.

Between the crop year 1909-10 and the crop year 1928-29 the increase in wheat production of some cereal growing areas throughout the world was as follows:

	Increase
Jugo-Slavia	725%
Canada	174%
Argentina	91%
Africa	70%
Australasia	70%
United States	20%
World average	29%

Wheat Export Vital in Our Prosperity

We are the world's largest exporters of wheat because we have to be to maintain our prosperity. This year, when wheat exports have declined, all business has declined in Canada. The figures of our wheat exports for the first eight months of the current crop year, issued recently from Ottawa are not very bright.

Total exports of Canadian wheat, during the eight months ended March 31 last, amounted to 100,012,968 bushels, valued at $130,539,640. During the corresponding eight months a year ago, total exports were 271,431,298 bushels, with a valuation of $302,277,524.

During the eight-months period Canada exported a total of 69,398,672 bushels of wheat to the United Kingdom, valued at $92,604,663. This was in comparison with total exports of 165,746,142 bushels, valued at $174,141,325, in the eight months ended March 31, 1929.

The total exports to "other countries" during the eight months just ended amounted to only 25,922,859 bushels, as against 103,737,579 bushels in the corresponding eight months a year ago. The value of wheat exports to "other countries" in the eight months just closed was $32,710,512, as against $119,293,541 in the eight months of 1928-29.

Argentina Moves Into First Position

Figures supplied by the International Institute of Agriculture show that Canada was ousted from the position of world's leading wheat exporter during the first six months of the present crop year to January 31. This was the period when Canadian exports should have been highest. Figures for the three important exporting countries during that period reveal the situation:

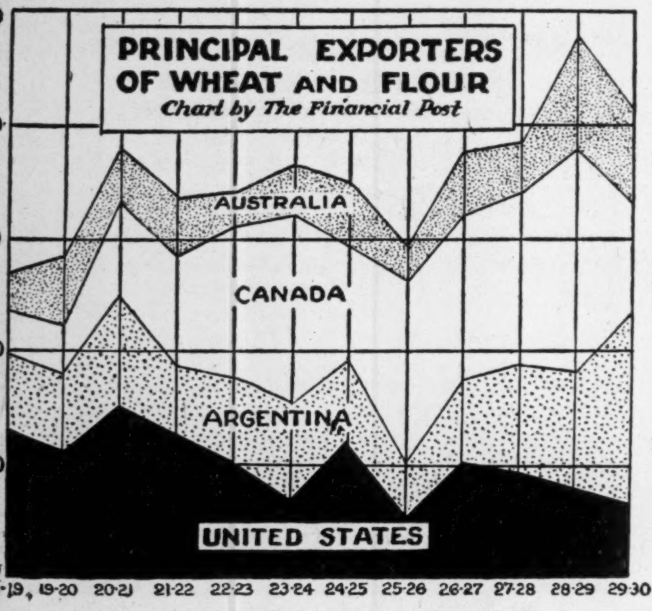
Exports of Wheat

	6 mos. 1928-9	6 mos. 1929-30
Argentina	74,000,000 bus.	92,000,000 bus.
Canada	241,000,000 bus.	82,000,000 bus.
United States	72,000,000 bus.	59,000,000 bus.

It is hoped that figures for the full year will show Canada back in first position again but time alone will give the response to that hope.

Affairs of All Are Affected

Of Canada's products entering into international trade, none normally equals in quantity and value her exports of wheat and flour and from the standpoint of importance to the country, in general, all other export items are dwarfed by comparison.



The 1930 figures have, of course, been roughly estimated.

There are few Canadians whose business affairs are not affected by this annual flow of wheat from Canada. Two hundred and fifty thousand wheat-growing farmers, spread over Manitoba, Saskatchewan and Alberta, each draws annually an average of around 1,000 bushels of wheat for export into one or other of the 5,300 elevators located at some 2,000 odd stations. Railways freight cars to the number of 75,000 carry wheat on trip after trip to the head of the lakes and eastward, or westward to Vancouver, while numerous boats ply back and forth on the Great Lakes and the St. Lawrence transporting it over another stage in its journey. Farmer, grain dealer, railwayman, merchant, manufacturer, banker and laborer, nearly all are concerned. The whole economic structure of Canada is in one way or other shaped to synchronize with the actions and reactions of the wheat movement for export.

Exports Became Important in 1907

A convenient order of treatment in discussing Canada's exports of wheat and flour, is to show the growth that has occurred, along with some comparative figures on other countries, followed by the world wheat situation in general, and ending with a description of Canada's export machinery.

The exports of wheat and flour from this country looked at from the international standpoint did not become very important until about 1907. In that year the total export was equivalent to 30 millions of wheat. Seven years later the hundred million mark was passed for the first time, when the year's shipments out of Canada amounted to 131 million bushels. But the increase since the war has been amazing, the average yearly exports for the five years 1918-1922 being 166 million bushels of wheat and flour, while from 1923 to 1927 the yearly average jumped to 298 millions.

In the crop year to July 31, 1929, we exported 354,000,000 bushels of wheat. Other chief exporting countries in that period ranked as follows:

Argentina	217,000,000 bus.
United States	108,000,000 bus.
Australia	81,000,000 bus.

There were no other countries that exported more than 15,000,000 bushels of wheat in that period.

An Unheeded Warning

From The Financial Post Grain Supplement, March 1, 1929.

"Even if Canada could hold its whole export surplus, the results hoped for would not materialize. Indeed in case of such an attempt what would happen would be more like a 'lockout' with Canada on the outside, rather than a 'hold-up.'

"Canada cannot 'hold up' the world. The governing condition is the rest of the world's ability to get along without any Canadian wheat. Our odd 300 million bushels of wheat and flour exports do not just split the field with some 450 bushels of wheat and flour exports from other countries, but must meet the competition from the home grown wheats of the importing countries. For instance, Europe is a heavy importer, yet also is a heavy producer, growing in some years as much as four times more wheat than Canada does. Of all the wheat produced in the world only about one bushel out of every six enters into international trade. With the home-grown wheat and the substitutes for wheat the world in case of necessity could get along without Canada's wheat and flour exports.

"Foreign millers are careful to develop flour formulas with combinations of wheats from different countries so that in necessity any one component not readily obtainable may be replaced by an alternative wheat, permitting with odd adjustments, the uniformity of a particular brand to be maintained. Millers and bakers in deficiency countries would not build up an important consumptive demand for flour made from wheat with characteristics obtainable from the wheat of only one country."

One Bushel in Five in World Trade

The world produced in 1928-29 4,613,000,000 bushels of wheat. About one bushel in five of this moved into world trade, either as flour or wheat. Total exports of wheat (as wheat and as flour) were 926,000,000 bushels and Canada had over 40 per cent of this trade. The leading exporters were;

	Net exports of wheat as wheat and flour 1928-29
Canada	404,000,000 bus.
Argentina	225,000,000 bus.
United States	145,000,000 bus.
Australia	107,000,000 bus.

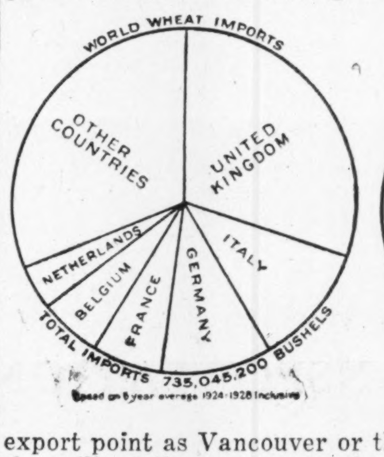
Europe and Great Britain provide the great import market for wheat. In the year to August 31 last, Great Britain, Northern Ireland and the Irish Free State imported 218,000,000 bushels of wheat and wheat as flour. The other chief importing countries were:

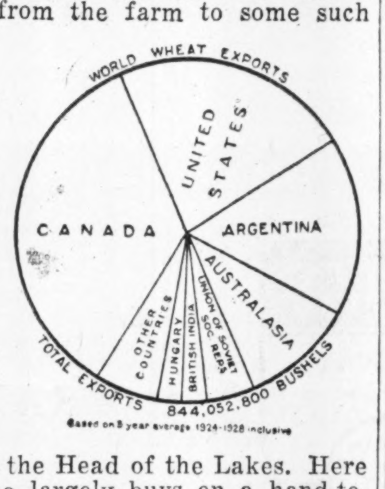
Italy	88,000,000 bus.
Germany	78,000,000 bus.
France	54,000,000 bus.
Belgium	42,000,000 bus.
Netherlands	29,000,000 bus.
India	25,000,000 bus.
Greece	22,000,000 bus.

But (as is more fully set forth in the first article in this section) all of these importing countries are endeavoring to restrict their purchases of wheat and flour by encouraging home production and the use of substitute foods. This year's importations are likely to show a considerable decline in many countries.

Machinery of Grain Export in Brief

Some discussion of the machinery of export marketing may be in order. Other articles have dealt with various phases of grain marketing from the farm to some such export point as Vancouver or the Head of the Lakes. Here the will of the consumer who largely buys on a hand-to-mouth basis is felt, and the movement must adjust itself to a slower rate.





From Fort William-Port Arthur and Vancouver the wheat is moved onward by a group known as exporters. Their problem is making the final transfer of ownership and possession over to the Canadian miller or foreign millers and importers. They may arrange for shipment by rail and water, the cheapest route, or by rail to eastern Canadian and United States ports. In the elaborate machinery existing to facilitate this movement, no one part is more important than the method by which trainloads and shiploads of export wheat are made up. An exporter, for instance, might have an order for a 500,000 bushel cargo of No. 3 Northern, but his wheat may be stored in five different elevators. Much time would be lost if the ship had to move from elevator to elevator picking up these different parcels. Accordingly a Lake Shippers' Clearance Association at this stage takes over the documents covering the different parcels and lets the ship take its load all from one elevator.

Must Hold Wheat in Convenient Positions

In this second zone wheat moves out at the dictates of the consumer or his agents. Orders may be for a cargo for a ship clearing from Montreal or any one of several American ports. To be in a position to supply these orders the exporter must hold wheat in convenient positions.

It might be wondered why importing countries should not secure requirements in advance. To do so, however, they would have to establish at home the storage facilities which at present are maintained by the exporting countries. In addition, supposing, for instance, European buyers made a practice of keeping six months supply on hand it would mean the payment of interest for that time on the money paid in shipping charges from the point of export to Europe. These and other considerations led to the present practice of ordering supplies forwarded in volume sufficient to just satisfy existing consumptive demand.

Machinery Developed to Fit Needs

The aforegoing is but a meagre representation of how Western Canada's marketing and export problems have been met and solved to the best interests of producer and consumer. No mention has been made of the vast financial arrangements necessary to operate the commercial machinery to permit the various transferences in ownership which occur in the different phases through which the wheat passes on its way to the consumer nor does space permit of a discussion of the part played by the carrier organizations.

Recently some variation in the machinery has come as a result of the attempt by the wheat pool, in marketing their own grain, to eliminate all independent middlemen, and to sell direct, through their own staff agents, to millers in Canada and abroad.

In conclusion, perhaps it is sufficient to draw attention to the fact that the methods used in marketing and exporting Canada's wheat were evolved to meet conditions largely imposed by factors outside Canada's jurisdiction. Bulk handling, future markets, storage systems, inspection and other features have been developed into their present form in order that Canada's wheat might hold its own in the world's markets. To the extent that Canada has attempted to experiment with new export methods we have lost out in exports but it is to be hoped that the current year's distressing experience will not be repeated.

Platform Scale Invented 100 Years Ago This Year

Erastus and Thaddeus Fairbanks Worked Out Principle That is Used Today in Big Scales

It may well be said that business achieves its profit by eliminating losses large and small. Hurrying workers in laundries, creameries, packing houses, textile plants, food plants, metal working plants and hundreds of others, no longer make those slight "over weighs" that mount to tremendous losses when repeated by thousands. Industry has been given quick reading dial scales which eliminate errors—dials which make it easy for the speeding operator to weigh correctly. It was realized long ago that an accurate scale does not ensure accurate results unless the chance for human error is eliminated to the furtherest extent that modern science and ingenuity can devise.

Scales of today are made in special designs to fit the particular requirements of every industry. Manufacturing methods of today are concerned chiefly with mass production with precision and the elimination of all waste both of time and materials. In practically every phase of the production schedule from raw material to finished product the question of accurate weight plays an important part. From the multitude of special weighing machines used in every industry today to the steelyard of ancient times is a far cry. From the earliest days there was no improvement until the dawn of the machine era when in 1830 Thaddeus Fairbanks invented the platform scale from which all modern scales are direct descendants.

Revolutionized Methods

With the present wide application in all industries the early history of scale development is interesting in that it shows what may come out of small beginnings.

It was in 1815 that Major Joseph Fairbanks set up a grist mill and saw mill on the banks of a little creek that ran through the old Vermont town of St. Johnsbury. His sons, Erastus and Thaddeus had broader visions and established a wheelwright and foundry business and then developed into manufacturing saws, pitchforks, cast iron plows and stoves; in about the year 1820 the "hemp craze," as it was called, struck Vermont and the farmers expected to make substantial fortunes in raising hemp instead of corn. Contracts for making hemp dressing machines were awarded to the Fairbanks Brothers. The question now arose—How was the hemp to be weighed? The old steelyard was of little use for this service and so Thaddeus conceived the idea of constructing a huge steelyard beam suspended from a high frame with chains to grapple the axle of the cart. An approximate weight was thereby obtained by a slow and laborious process.

Thaddeus studied the problem of simplifying weighing and obtaining more accurate weights and finally conceived the idea of supporting the platform upon an A shaped lever with the tip of the lever connected to the steelyard by a rod. Though not suspected by Thaddeus at the time, he had revolutionized all weighing methods and at that moment the steelyard of old Rome took its departure.

From this small beginning the platform scale in all of its ramifications was developed until today the same principle is in use whether in a health scale, a laundry scale or the ponderous ones used for weighing the largest railway locomotives.

The world's largest scale was built recently at the St. Johnsbury factory of E. & T. Fairbanks & Co. and is located at the plant of the Hamilton Furnace Company at Hamilton, Ohio.

Benefit to Canada

Canada was one of the first countries to benefit from the invention of the platform scale and by 1835, five years after the first platform scale was manufactured, there were many in use in this country. In July 1907 a Canadian charter was granted for the manufacture of Fairbanks scales and a plant was erected at Sherbrooke, P.Q., where production was started the following year. From a very small beginning the Sherbrooke factory has grown until it is the largest of its kind in Canada, manufacturing every type of scale required for Canadian industry.

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Moving Mountains of Grain

The Canadian Pacific Railway is the world's largest carrier of grain.

MORE than 58 per cent of the total of 15,216 miles of track of the Canadian Pacific in Canada is in the three grain producing provinces of Alberta, Saskatchewan and Manitoba.

Over its network of branch and main lines which have been in the vanguard of Canada's growth to world prominence in wheat production, there pours the harvest of grain.

From the date the crop starts moving, the railway must keep available throughout the region, a surplus of cars and locomotives. The railroad must always be in advance of the shipper.

The handling of the stupendous concentration of harvested grain demands the utmost in organization, equipment, despatch and personnel. Half the crop movement is normally done from September to mid-December. Of a truth mountains of grain are moved.

Whilst the supply of cars at the right place as required at the many points along the railway is a vital task, the movement of these cars, laden with grain, to the head of the Lakes, or on to Vancouver, demands the fullest efficiency and despatch.

To facilitate the eastern flow of grain the Canadian Pacific built the Transcona Yards near Winnipeg where can be located the greatest concentration of grain carriers—permitting the movement of grain direct from the prairies to the head of the Lakes without congestion in the freight district of Winnipeg.

The double tracking of the main line from Winnipeg to Fort William greatly speeds the grain flow and that of return cars. As many as 235 eastbound trains and 198 westbound trains have traversed this route in a single week with a total of over 25,000 cars. Yet the railway passenger service was not interrupted in the slightest degree.

The Canadian Pacific Railway is proud of its part in the building up of Canada's great grain producing provinces, and its partnership in the growth of the grain trade.

Its facilities will ever be in the vanguard in providing efficient and speedy service in the moving of Canada's mountains of grain.

Grain carried in 1929 — 276,156,124 bushels.

Canadian Pacific Railway Company

THE WORLD'S LARGEST

CANADIAN PACIFIC
RAILWAY LINES
WORLD'S GREATEST TRAVEL SYSTEM

TRANSPORTATION SYSTEM

Non-Pool Farmer Sold Wheat at $1.42 in Fall Boom; Speculators and Pool Members Lost in Price Drop

Pools Have Established Direct Selling Policy and Attempt to Eliminate Grain Exchange and Middlemen—Policy Yet to be Proven Successful, and to Date Has Failed to Work in Interests of Western Farmer

Efforts have been made by the Canadian wheat pools to establish direct contacts between the western grain producer and buyers in import markets. This is in line with its expressed policy of eliminating the middleman and the speculator from its selling picture. Those who assumed control of pool affairs after it was organized preached and practised the doctrine of direct selling. They felt that grain exchanges were unnecessary and costly units in the chain of distribution. They felt that grain merchants, exporting houses, and others who entered into grain transactions between the grower and the ultimate buyer, were exacting an extravagant toll which came out of the net profits of the farmer.

It may be questioned if those who first visualized the pool ever felt that the pool would be able completely to eliminate the middleman. In February, 1924, Aaron Sapiro, American propagandist for co-operative marketing, said at a pool meeting in Saskatoon:

"We are not against the middleman. We divide the middleman into two classes. There are the speculative middlemen and the distributive middlemen. The first has no place in commerce except that he is a vicious parasite. (Applause.) The distributive middlemen we believe in, and we favor his existence and we need him. These big co-operatives in the United States, Denmark, Belgium, Holland and even Russia are organized on one plan only—get the commodity organized, stop individual selling and merchandise through a central office so that the farmers have something to say about creating the price value of the thing that they grow on their farms."

Would Sell to Anyone Ready to Buy

And again in giving evidence to the Royal Grain Inquiry Commission (April, 1924), he said:

"It is not our plan to try and impoverish those who are merchandising wheat or any other commodity," he said, "but we object to them speculating on it."

"Would it be good policy to sell through the Winnipeg Grain Exchange?" was the next question put to him by Isaac Pitblado, K.C.

Mr. Sapiro—"It might be."

Mr. Pitblado—"But I thought it was your idea to sell direct to the miller or the importer and eliminate all intermediaries?"

Mr. Sapiro—"That was a very interesting thought of yours. We will sell to anyone in any way provided it can be properly merchandised. It is not our idea to get rid of the intermediary. If that could be done it would be ideal, but I never said that we were going to do that. Whether or not the pool can achieve that is doubtful, because it is a question whether at any time a wheat pool in Canada will have more than 75 per cent of the crop."

Mr. Pitblado—"Have you not held out the idea to the farmers that the pool wheat would go direct to the ultimate market without passing through the hands of any intermediaries?"

Mr. Sapiro—"I hope some of it will, but I have been careful to tell the farmers that they will have to sell any where they can to the best advantage."

Nevertheless, one of the earliest moves of the pool selling organizations was to set up its own points of contact with the foreign buyer. Offices were established in many foreign cities. Offers of pool grain were made directly to large importers in other countries. During its first few years the pool did not rely entirely upon these contacts for the sale of its grain but utilized the existing selling machinery to a considerable degree. But year by year the percentage of grain handled other than direct has dwindled, pool officials declare.

Offices All Over the World

The pool's selling policy was outlined some time ago by George McIvor, general sales manager, as follows:

"Our ocean tonnage chartering is done from Winnipeg; in fact, our entire operations are handled from the Winnipeg and Calgary office. We also have offices in the East. Our Toronto office takes care of the distribution of grain to the Ontario millers. This office also handles the wheat of the Ontario Wheat Pool, which has just experienced its first and very successful season.

"We have offices in Montreal and New York for the purpose of taking care of the movement of our grain from the upper lake ports to the seaboard and also for the purpose of keeping us posted as to the ocean tonnage market. We have our own office in London, which has been established for the purpose of keeping us advised of conditions as they exist in the consuming countries and giving us the necessary posting as to the development of the market. We have our own office in France for the distribution of our wheat direct to the French millers. How successful our Paris office has been is shown by the fact that last season this office handled 75 per cent of the Canadian wheat sold in France. We have two agents in Holland. We have an agent in Belgium. We have two agents in Denmark. We have an agent in Norway. We have an agent in Northern Sweden and an agent in Southern Sweden. We have an agent in Spain and also in Portugal. We have an agent in Austria and one in Switzerland. We have two agents in Italy.

"Owing to the volume of business that we control it has been possible for us to select the very best type of agents available for the distribution of our product. These men keep us constantly posted as to conditions on this side. When we are prepared to sell and consider the price satisfactory, our method of offering is merely this: We send out a nightly cable in which we offer them, say, 10 loads, which would be 80,000 bushels of No. 3 Northern wheat in a certain position at a C. I. F. price delivered at their destination. By destination, I mean port of entry, such as Havre, Hamburg, Antwerp, Genoa, and so on, on the Continent, and Liverpool, London, Hull, etc., in the United Kingdom. Our agents on the other side, on receipt of our offer, then get in touch with the mills in their territory and offer them the quantities named in our cable at the price named, and in many cases business is closed. If, on the other hand, the miller is not prepared to pay our price, he would probably submit to our agent a counter offer, which in turn would be submitted to us and which we might accept or decline, largely depending upon the state of the market. In most cases, however, we would not reduce our price from that of our original offer. In this way a constant exchange of cables goes on between our office in Winnipeg and our offices and agents on the other side, and we are able to maintain a daily contact with the markets all over Europe.

"For the purpose of handling our business in the United Kingdom we have a number of agents in London, several in Liverpool, several in Bristol and Hull, and also in York, Glasgow, Belfast, Dublin and Cork.

"It would probably be interesting to know that several months ago we sold 3,000 tons of No. 3 Northern wheat over the telephone to London, probably the first marketing transaction of that kind, so that you can see that in the sale of our product we are in constant touch with the consuming centres." (First International Pool Conference at Regina, June, 1928.)

Past Experience Opposed to Direct Selling

It may be questioned if this policy has proven successful. It has not been demonstrated that grain can be sold by such methods at any lower cost than by methods long established. Past experience might have indicated this to the pool officers. Previous attempts to establish direct selling have failed. Very few grain exporting organizations in Canada have found it advisable or profitable to set up units in all branches of the trade. The United Grain Growers went as far as anybody, but even in the case of the U. G. G. the exporting branch of the business was set up as an independent unit in association with a private corporation and there was no attempt by the U. G. G. to sell grain direct to foreign buyers, eliminating all classes of middlemen.

One of the first results of the pool direct selling programme was to estrange the foreign merchant. In England, for instance, wheat has been imported for years by merchants who have sold to the large milling companies at a small margin, a margin probably less than any Canadian selling agency would find necessary to finance the operation of a sales office. When the pool decided no longer to do business with the British grain merchant, but to deal directly with the miller, it found that it had not as good contacts with such big buyers as the milling combines and the co-operative societies as the merchants had after their many decades in business.

Pools Last Fall Decided Not to Sell

There has been much criticism in Canada of the alleged policy of the wheat pools of holding their wheat last fall. Whether or not the pools adopted a holding policy may be a debatable question. Certain it is that in October, when cash wheat was selling at $1.43¾ in Winnipeg and the May future was quoted at $1.50¾, the general manager of the pools went on record as saying:

"There is no doubt quantities of wheat could be sold to Europe at the present time, but only at the cost of a further serious reduction in farm income and a corresponding restriction of Canadian business generally for the coming year. Taking the long view, the world's situation justifies higher price levels than at present ruling."

The statement today of the pools is that they adopted no policy of holding wheat but that they offered wheat every day during the fall—when prices were above $1.40 and $1.50 for the May option in Winnipeg—and that they often offered wheat below the market.

The president of the pools said recently: "From the time prices reached $1.14 and $1.14 in June we have continuously offered wheat at all-prevailing price levels." And a pool press letter in February said:

"Concluding his statement, Mr. McIvor emphasized that the pool would make no attempt whatever to hold up wheat sales where there was a demand for actual wheat, and would continue the pool's policy, which has been consistently adhered to during the present and previous crop years, of offering wheat for sale whenever there was a demand from domestic mills or foreign buyers and refraining from offering in the absence of demand or upon depressed markets."

Was Grain Offered on Exhange

These conflicting statements have no doubt puzzled many business men. It would seem apparent to the average person that if the pool was offering wheat and offering it at times below the quoted market price that it would have sold wheat and sold it in large quantities. But there is no evidence that anything but the small quantities of grain were sold by the pools in the fall. It can hardly be argued that the quotations on the grain exchange were merely nominal quotations because every sale on the exchange represented a purchase by someone even if it was merely a futures transaction. How was it then that the pool offered wheat and found no buyers when other holders of wheat—either actual holders or speculative holders—were offering wheat and were selling it?

The answer seems to lie in the circumstances that the pool was attempting to sell direct and had discarded other such agencies of selling as the grain exchange and the broker, the private export house, the British importing merchant, etc. The pool was obviously offering wheat for direct sale and was finding no buyers. In the meantime other holders of grain were selling through the same channels that had found buyers for their grain in previous years, the same channels that the pool had itself used in previous years, even as recently as last spring. The pool president said of last spring's sales through the Winnipeg Grain Exchange: "We had found it necessary to take very substantial advantage of the speculatively high levels obtaining in the Winnipeg futures market ...." The pool even bought wheat in speculative markets last spring after the big break in May. It bought between 4,000,000 and 5,000,000 bushels of wheat on the floor of the exchange in an endeavor to stabilize prices.

Would Not Take "Immoral" Money

The pool apparently did not wish to sell wheat to speculators. Pool psychology in this respect was expressed by a typical pool farmer who wrote to a western newspaper:

"But as to this theory of selling our grain abroad, this is the new morality which has entered into the marketing situation since the inception of the pools.

"Every bushel of pool grain that is sold (by the pool direct) is sold into consumptive channels and is not sold where it becomes a sort of football for the speculator; probably sold again and again, before it reaches the market, and thus producing artificial prices. In other words, (and I say this in all sincerity and seriousness) it is sold where God intended it to be sold, to feed the hungry, and not to build up the fortunes of a few at the expense of the many."

This statement was made in a letter to a western newspaper, which replied: "If the pool member would prefer to sell his wheat for one moral dollar instead of one and a half Canadian dollars, it is all right with the writer; but, as a creditor of quite a number of pool men, we would personally prefer payment of the Canadian brand of dollars."

Plenty of People Willing to Buy

The ordinary holder of grain does not care to whom he sells so long as he gets his price and is assured of getting his money. He would as soon sell grain for May delivery, let us say, to a bootblack in Vancouver speculating in the grain market or to a professional operator covering a short sale, as he would to a British miller. He recognizes the existence of a great and fluid market, supported to a considerable extent by speculative trading, which will every day absorb any quantity of grain that may be offered or that will supply on demand any quantity of grain that one may wish to buy. The pool last fall could have sold on the floor of the Winnipeg Grain Exchange many millions of bushels of wheat for future delivery and have gotten for that wheat a price from thirty to forty cents a bushel in excess of present prices. It has been argued that this would have broken prices on the exchange. But at least nearly half of the grain in the west of Canada was sold in this manner when prices were firm and without breaking prices. Private holders sold their grain while the pool was maintaining its adherence to its policy of direct selling.

Non-Pool Farmer Got $1.42

It is difficult to estimate what the non-pool farmer averaged for his wheat of the 1929 crop. One large life insurance company, with extensive loans among western farmers, decided to make a survey to satisfy itself. It communicated with a large number of non-pool farmers to learn what price they got for their wheat and it discovered that the average price received was on the basis of $1.42 for No. 1 Fort William. The pools have advanced $1 a bushel to their members and it is doubtful what the amount of further payments will total, but he would be an optimist indeed who would forecast any $1.42 return to the pool farmer for his 1929 crop. The second pool payment has in the past always been made in March. This payment, to finance spring seeding operations has yet to be made.

The question may be asked, who was it paid the farmer the difference between $1.42 a bushel and the present price? To the extent that grain was sold to millers here or abroad during the fall the price was paid by these millers who naturally passed it on to consumers of bread. But as a subnormal quantity of grain was shipped abroad and to Canadian mills, the buyers of grain for processing were not the largest contributors to the larger revenues of these farmers. The grain that was sold by these farmers was sold, of course, to line elevator companies and other units in the grain trade. These firms, of course, immediately sold in the market either for cash or for future delivery.

Every Bushel Was Immediately Sold

This latter fact should be stressed: every bushel of grain delivered by a non-pool farmer to a private grain elevator was immediately sold. The elevator companies finance themselves—as does the pool—to a very considerable extent on bank credit. Every bushel of grain on which they get a bank loan must be hedged in the market. So every bushel of grain was sold, not only by the farmer when he delivered it, but by the grain trade when they bought it. This was the chief difference between the pool grain and the non-pool grain. The pool grain was not sold last fall; the non-pool grain was sold and was sold through channels that were open to the pool just as much as to any other holder of grain.

There was intense speculation in wheat last fall. Many professional and amateur speculators were buying the different options. They provided a great demand for wheat at high prices and they were the buyers of much of the non-pool grain that was sold in the market just as they would have been buyers of pool grain if it had been offered for sale in the open market.

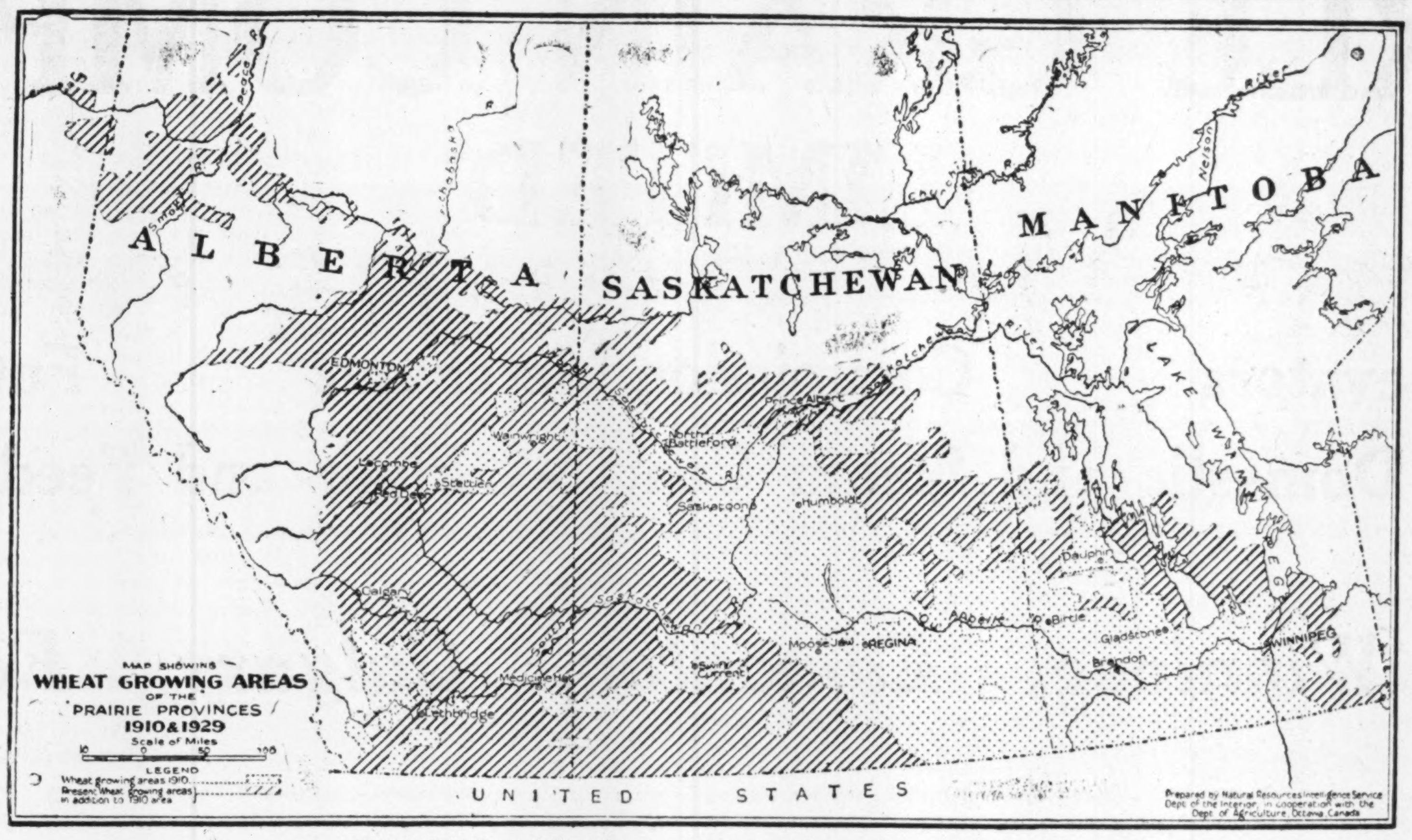
Speculators Aborbed the Losses

Speculators buying grain futures have no intention, under ordinary circumstances, of coming into possession of the actual grain. But they must either take up the grain on the date provided for in their contract or sell it in the market to someone else.

That is what happened. The speculators who bought grain sold it to someone else and in most cases at a loss. There was always someone else to buy it back from them, either a processor of grain in the market for a supply or someone in the grain business. There is always a spread in the price between a near option or a cash position and a more distant option, the spread usually being sufficient to cover the cost of carrying the grain to the more distant period. This cost of carrying is about 1½ cents per bushel per month. The price of the near positions only has to drop a fraction of a cent below the necessary spread for carrying costs and someone with a terminal elevator will buy the grain and be willing to carry it. He will sell the future option and make certain at once of his profit. It is a small but certain profit. There has never been a time since commodity exchanges were established on their present basis that a market could not be found for cash grain or some future option.

Thus it was the speculators who guessed wrong who paid the non-pool farmer the difference between the high price he got last fall and the price at which wheat is quoted today. The same speculators guessing wrong in the same way would have paid the pool farmers the same price for their grain.

Wheat Growing Area of West Shows Northward Expansion



The cross-hatched area indicates how Canada's wheat growing area has expanded since 1910.

Quebec Builds Harbor To Berth Large Liners And Handle More Grain

"Empress of Britain," 40,000 Ton Liner, Will Dock at New Berths in Quebec's Fine Harbor.

Since the re-adjustment in rail rates on grain and freight shipped to Quebec, the port of Quebec is on a competitive basis with other inland ports of Canada. Thus wide expansion is being undertaken in the harbor to care for the increasing activity in operations, while the river frontage in front of the city proper is being developed on a comprehensive scale.

The general plan for these improvements has been divided into sections which can be built independently, whenever necessitated by the requirements of the trade. The first section consists of a wharf 4,300 ft. long, together with a pier 1,800 ft. long. This work will provide deep water berths for four of the largest types of vessels, with two additional deep water berths, each 600 ft. in length, as well as one berth for lake vessels carrying grain. All necessary sheds, elevator facilities and general services have been provided for.

Will Accommodate Larger Ships

When the new works, which were started in 1925, are fully completed, they will place the harbor of Quebec among the leaders in harbor development. The port is becoming increasingly important, and is the terminus for the biggest boats on the St. Lawrence route.

The harbor will be able to accommodate the new 40,000 ton Empress of Britain, which is under construction for the Canadian Pacific Steamships, while other large steamers may be expected to be placed on this service in the future.

The grain rate for rail shipments which were made effective in September, 1927, resulted in a steady flow of wheat to Quebec in 1928 for shipment overseas. Lake vessels also carried grain in large quantities to the port; growth in the traffic can be visualized by the following figures.

Year	Receipts	Deliveries
1924	5,265,829	4,540,616
1925	5,177,659	4,837,986
1926	8,719,501	8,461,682
1927	9,441,698	9,773,376
1928	11,063,761	12,267,082

In August, 1925, the Quebec Harbor Commissioners filed an application before the Board of Railway Commissioners to Canada, asking for a re-adjustment of the railway freight rate. The application sought an equable rate which would put the port of Quebec on a competitive basis with other Canadian ports, and also permit the utilization of the transcontinental railway for the transportation of the western grain crop to the Canadian Atlantic ports, and to the port of Quebec for shipment overseas.

In 1927, the Board of Railway Commissioners, issued an order, which, in short, directed that the rate of all rail movements of grain from Port Arthur, Fort William and Armstrong, to Quebec, over the Trans-continental Railway would be 18.34 cents per hundred pounds. This is almost equivalent to the rail and water rate route combined, from Port Arthur, Fort William, via the Georgian Bay course to Montreal.

Quebec is now established on a par with other ports in Canada and it is expected that the future will bring wide expansion in grain shipment and general shipping.

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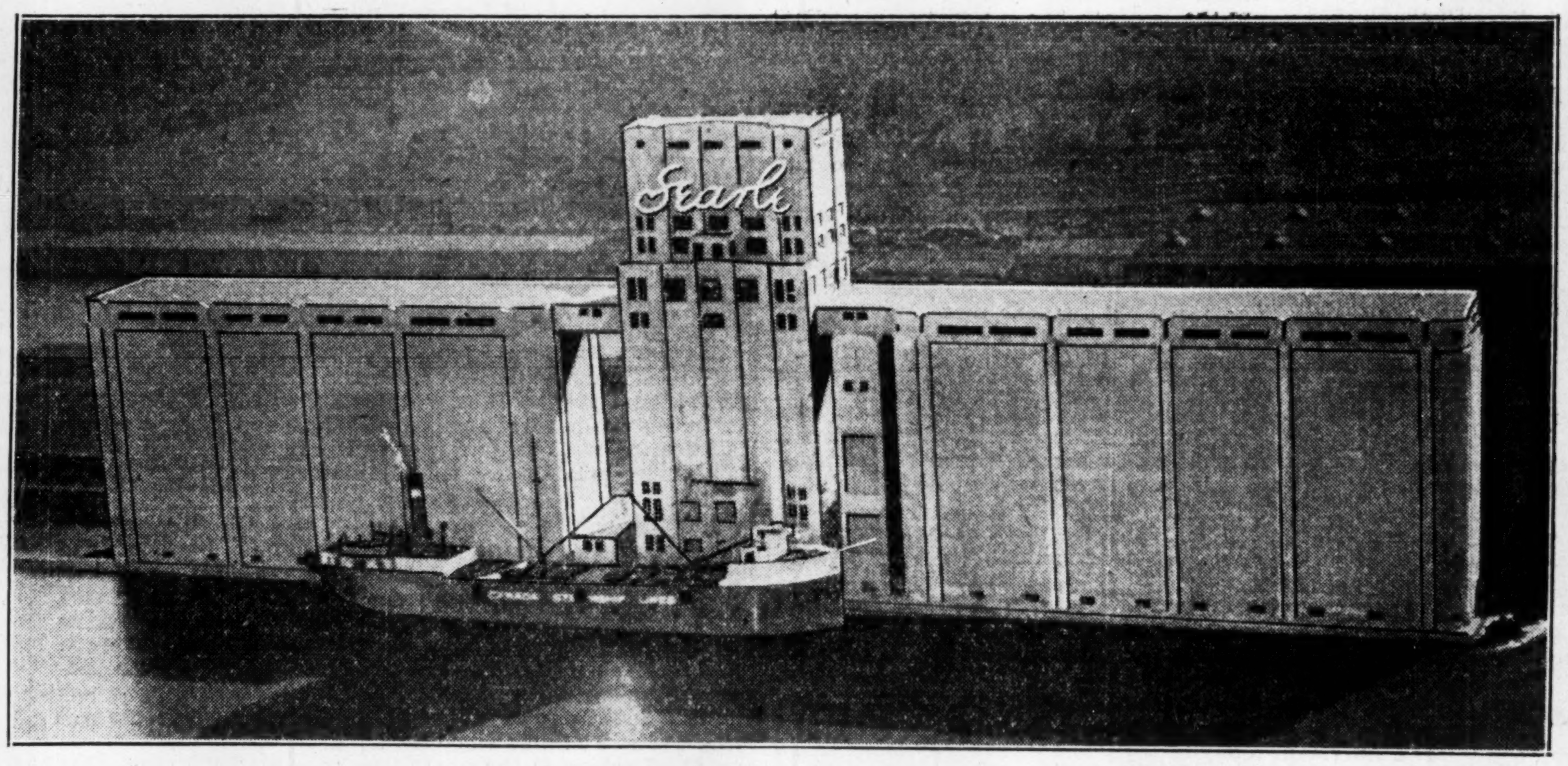

Searle Terminal Elevator. Airplane view of this modern structure. Capacity 3,000,000 bushels

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WINNIPEG - FORT WILLIAM

Canada Grain Act Is Being Revised On Extensive Scale

No Other Commercial Business in World is Governed So Largely by Fixed Standards Established by Law and Regulation as is Trading in and Handling of Grain in Canada

There is no business which is more highly competitive, more closely regulated by law or more closely controlled by government administration than is the business of handling grain in Western Canada. Regulation is established by the Canada Grain Act and administrative control is exercised by the Board of Grain Commissioners appointed under that act.

The revision of the Canada Grain Act is now before Parliament. To a large extent this revision is a matter of form, for the purpose of consolidating the old act and the amendments, to remove difficulties in drafting and wording and to make the act more easily read and understood. In addition, however, it conveys a very large increase of power to the Board of Grain Commissioners.

Hope to Establish Constitutionality

One of the main changes in the new act is the method by which Parliament seeks to assert its authority over the grain business. The old act, it was generally believed by competent lawyers, was unconstitutional. It purported to regulate generally all dealings in grain under the authority to legislate on the "regulation of trade and commerce" conveyed to the Dominion Parliament in Section 91 of the British North America Act. It is generally believed that had the old act been seriously challenged, the courts would have been compelled to hold it beyond the competence of Parliament as being an unjustifiable interference with the jurisdiction of the provincial legislatures so far as property and civil rights are concerned.

Only one section of the old act was ever challenged in the courts, one which sought to impound for benefit of the Dominion treasury such overages of grain in excess of one quarter of one per cent as might be found in public terminal elevators, and that section was held invalid. The grain trade have never desired to see the old act upset, believing that some regulation of the grain business was both desirable and inevitable and that such regulation could best be exercised under the single authority of the Dominion Parliament.

Provides for Licensing of Elevators

The constitutional difficulty is overcome in the new act by two ingenious expedients, suggested it is understood by Colonel O. M. Biggar who is entrusted by the Government with redrafting the act. Although the jurisdiction of Parliament over the grain business may be doubted, it has undoubted jurisdiction over navigation and shipping, and over railway lines. Jurisdiction over elevators is obtained in the new act, not by the doubtful device of declaring them "works for the general advantage of Canada," but by declaring that railways and vessels may handle grain into or out of elevators only when such elevators have been duly licensed by the Board of Grain Commissioners. The inspection of grain is enforced by providing that a railway may not carry grain past certain points of inspection until the grain has been subject to Government inspection.

Another expedient was adopted to extend the jurisdiction of the act to grain and transactions in grain before it reaches an elevator. Although by far the greatest part of the grain shipped in Western Canada passes through an elevator, certain considerable quantities are loaded direct by farmers into railway cars over loading platforms.

The legal definitions of grades of grain contained in the act are employed to exercise control in this instance. Parliament assumes, under its jurisdiction over weights and measures, control of the use of grade names such as No. 1 Hard, No. 1 Northern, etc., as are established by law, and in effect copyrights these. The buying of grain under such trade names is forbidden except to persons who have obtained licenses under the act from the Board of Commissioners.

All other dealing in grain is left free and unhampered, but since it is impracticable in Western Canada to deal in grain except under the recognized standard names, or to handle it without putting it sooner or later in an elevator, control by the Act is effectively established.

Board of Grain Commissioners

The act sets up a Board of Grain Commissioners consisting of a chairman with an annual salary of $12,000 and two commissioners with annual salaries of $10,000.

All elevators and grain dealers must be licensed by the board. The ability to refuse, cancel or suspend licenses gives them large powers, and in addition they are enabled to impose penalties on licensees.

Section 15 of the proposed new act contains some 29 subsections listing the various matters upon which the board may make orders not inconsistent with the act, but the last subsection practically makes detail of powers unnecessary, for it gives the board power to make orders "governing any other matter relating to the handling of grain." One of the new powers conveyed to the board is that of supervision of construction and alteration of elevators, whether country or terminal, and the power to require that all plans be submitted to them for approval before the work is undertaken.

Under the old act most of the orders of the board had to be promulgated by order-in-council. Under the new act the board may make orders at its own discretion subject to the provision that its orders may be revoked by order-in-council.

Grading and Sampling of Grain

A lengthy portion of the act is devoted to the grading and sampling of grain. Certain grades, known as statutory, are defined as to quality in an accompanying schedule and provision is made for the establishment from year to year for such additional grades, known as commercial grades, as may be found necessary. The statutory grades of Red Spring wheat are No. 1 Manitoba Hard, and Nos. 1, 2, 3 and 4 Manitoba Northern. Formerly there was no No. 4 Manitoba Northern, but No. 4 wheat was left to be defined each year as a commercial grade. No. 1 Manitoba Hard must weigh 62 pounds to the bushel, No. 1 Manitoba Northern 60 pounds to the bushel, No. 2 Manitoba Northern 58 pounds to the bushel, and Nos. 3 and 4 Manitoba Northern 57 pounds to the bushel, or, if wheat is rusted or shrunken, 55 pounds in the case of No. 4 Manitoba Northern. No. 1 Manitoba Hard and No. 1 Manitoba Northern wheat must be Marquis or equal to Marquis. No. 2 Manitoba Northern may be any Red Spring wheat of good milling quality, No. 3 must be a fair milling quality, and No. 4 Manitoba Northern may be any Red Spring wheat. No. 1 Manitoba Hard must contain 80 per cent of hard, red, vitreous kernels; 65 per cent of such kernels are sufficient in No. 1 Manitoba Northern, 50 per cent in No. 2 Manitoba Northern, and 25 per cent in No. 3 Manitoba Northern, while there is no specification in connection with No. 4 Manitoba Northern. Various standards of cleanness are provided in the way of freedom from other wheats, freedom from other grains and freedom from other foreign matter. Complete freedom is required in the case of No. 1 Manitoba Hard. A total admixture of one per cent is allowed in No. 1 Manitoba Northern, of three per cent in the case of No. 2 Manitoba Northern, and 10 per cent in the case of Nos. 3 and 4 Manitoba Northern.

A committee on western grain standards is provided for which each year is to meet and fix standard samples representing the minimum of each statutory grade, and also the minimum of each commercial grade provided for. The samples are for guidance only in grading statutory grades, as the statutory definition must be complied with in each case, but the sample is the actual governing factor in the case of commercial grades.

Grain Standards Committee

The Western Grain Standards Committee consists of the commissioners, the chief grain inspector, the chairman of grain appeal tribunals subsequently provided for, the chief chemist on the staff of the board, the Dominion cerealist, and in addition a representative of millers, four representatives of the grain growers in Alberta, five of the grain growers in Saskatchewan, three of the grain growers in Manitoba and one of the grain growers in British Columbia. A corresponding body is provided for Eastern Canada, and the eastern committee establishes standards not only for Eastern Canadian grain, but also for United States grain passing through Canada.

Grain appeal tribunals are provided for at Edmonton, Calgary and Winnipeg, the chairman of each of which is to be a salaried person devoting his whole time to his work as chairman, and the other members are competent persons who are not members of the inspection staff under the board.

A double standard of inspection is provided for. Farmers' grain on going into a terminal elevator is entitled to be graded on the minimum of each grade as covered by definition or by standard sample, but grain going out of a terminal elevator must be graded on a higher standard, known as the export standard, made up of 75 per cent of the average quality of grain of a given grade passing inspection points and 25 per cent of the minimum. This was one of the contentious features embodied in the Grain Act by the amendment passed last year and just how it is going to work out or whether any of the supposed advantages will materialize has yet to be determined.

Limitation of Mixing

The act provides that in terminal elevators all wheat graded in as No. 1 Hard, or No. 1, 2 or 3 Manitoba Northern, must be binned with other grain of the same grade and not otherwise. It will be recalled that at the 1929 session of Parliament there was extensive controversy on the subject of mixing grain and that this prohibition was finally included. Provision was made that this restriction was not to take effect immediately but would come into effect on August 1, 1930. It will now be effective as soon as the act is passed.

Country elevators are closely regulated under the act. Each elevator must be licensed, and, in the words of the act, it must "at all reasonable hours upon each day on which the elevator is opened receive all grain offered thereat for storage without discrimination and in the order in which it is offered, provided there is available storage accommodation." The act sets out the exact forms to be used in issuing receipts for grain taken in for storage or in buying grain.

The act as drawn fairly bristles with penalties, and to a greater degree than the old act. Nowhere is it left to an individual who might be aggrieved by failure to comply with the regulations of the law to seek a civil remedy. For example, the use of grade names for wheat in transactions made by other than licensed persons is punishable by imprisonment for not more than six months or a fine not exceeding $200. The same threat of imprisonment or fine applies to the failure to mark across a receipt which should be cancelled the word "cancelled," followed by the date and the signature of the person to whom the receipt has been delivered up. The same penalty applies to allowing grain to be discharged out of an elevator except in accordance with the Act or to failure on the part of a country elevator to receive all grain offered for storage, except in this case the fine is $500. For binning the top grades of wheat except with grain of the same grade, the punishment is imprisonment for not more than two years or a fine not exceeding $5,000. If public or semi-public terminal elevator exercises any discrimination in accepting grain for storage the imprisonment provided is for not more than two years or a fine not exceeding $5,000. For acting as a commission agent without a license the imprisonment may be for six months or a fine up to $200.

Still more remarkable is the section which provides that every person who is guilty of any breach of any of the provisions of the act for which no special penalty is provided, or any breach of any regulation made pursuant thereto shall be liable for not more than three months imprisonment or a fine of not more than $100; while if a corporation is guilty of any breach, every officer or servant responsible for the breach is liable to imprisonment for not more than six months or to a fine not exceeding $200. The regulations made by the board under the act, which as above stated do not require approval by order-in-council, are to be enforced under the penalties of fine and imprisonment. In effect Parliament and the Government are conveying an immense unregulated power of private legislation, enforceable by fine and imprisonment, to the Board of Grain Commissioners. Still further, the board itself may act as a court and impose any fines that could be imposed by the courts. The board is to have a degree of arbitrary authority for which it would be difficult to find a parallel anywhere else.

Three Commissioners And Four Assistants

Chairman of the Board of Grain Commissioners of Canada is E. B. Ramsay, an experienced banker and grain man. He was formerly in charge of wheat pool sales, being general manager of the Central Selling Agency of the Canadian Co-operative Wheat Producers.

His associates are D. A. McGibbon and C. M. Hamilton. Mr. McGibbon was formerly head of the department of political economy at the University of Alberta and has a wide reputation as a student of western conditions. Mr. Hamilton has been chiefly before the public eye in a political way and was formerly minister of agriculture in Saskatchewan.

There are four assistant commissioners. F. J. Rathbone is attached to the Fort William office of the board and keeps an eye on operations at the great Head-of-the-Lakes terminals. T. H. Harrison is assistant commissioner at Winnipeg and his jurisdiction embraces the province of Manitoba. R. S. Dundas is assistant commissioner for Saskatchewan with offices in Regina, and W. H. Blachford is assistant commissioner for Alberta with offices at Calgary.

There is no assistant commissioner for British Columbia, through which large quantities of western grain now pass for shipment via coast ports, nor for Eastern Canada, which produces considerable quantities of grain.

In time assistant commissioners may be stationed at Vancouver and Montreal.

Clean Seed Essential for Quality

It was reported at a recent seed growers' convention that annual smut losses in Canada amount to $12,500,000. The grower's interests lie emphatically in giving a superior product, and to this end pure seed is essential.

Quality must be kept up, say all the experts who are now preaching the good-seed doctrine. Major H. G. L. Strange, chairman of the educational committee of the Canadian Seed Growers' Association and an Alberta producer himself, holds that in the quality and reputation of its wheat Canada has an advantage in the world market, unique and distinct, and that there is no other factor in the situation that can safely be relied upon in world competition. Increased production and mixed farming will not remedy existing conditions, says Major Strange, for the growers of other countries are equally clever in making shifts of that description.

Coarse Grains Now Lag Behind Wheat As Prairie Product

Increasing Displacement of Horses by Mechanical Power Narrows Market for Oats—Barley, Rye and Flax Fail to Develop as Much Popularity as Wheat.

Oats, barley, rye and flax are commonly referred to as the coarse grains. The total acreage devoted to them in Western Canada is approximately one half the acreage given to wheat. The ratio tends to be a declining one, and in earlier years nearly as great an acreage was given to coarse grains as to wheat. Production of coarse grains has not kept pace with that of wheat, which normally, for most farms produces a more profitable cash crop. The increasing displacement of horses by mechanical power, both on the farm as well as elsewhere, has narrowed the market for oats, and has also decreased the proportionate area on each farm set aside for home requirements of oats.

Smallest Crop in Twenty Years

The total area seeded to oats last year in the prairie provinces was 8,384,700 acres. Up to 1921 the oats acreage tended to show an absolute increase from year to year, although a relative decrease as compared to wheat. Nearly 11,000,000 acres were seeded to oats in that year, since then the tendency has been for a gradual decline. Average yields have varied from about twenty to over forty bushels to the acre. The highest total yield was nearly 400,000,000 bushels, while last year's yield of 132,000,000 bushels was the lowest recorded in nearly twenty years. The local consumption, like the production is subject to very large variations. Farmers are accustomed to adjust the feeding operations on their farms to the supply and price of feed available, so there is no such thing as a normal quantity requirement for oats. That fact has been very apparent during the course of the last year. when in spite of the very small crop of oats produced demand from farmers for supplies of feed has been very much less than was anticipated.

Barley Makes Fine Bacon Food

The production of barley in Western Canada has increased in the west during recent years, particularly in Manitoba. Farmers have turned to it in districts where rust ravages have been greatest in wheat, and also as a means of combatting the spread of weeds, for which its short growing season renders it adaptable.

Barley, in ancient times, was the food of the poorer classes as distinguished from wheat, more likely to be consumed by the wealthy. Wheat and rye have largely replaced it in that use, and the main use of barley now is as a feed for livestock, particularly hogs. It is an ideal feed for producing high quality bacon, as against corn, the mainstay of hog feeding in the United States, which tends to produce fat hogs of the lard type. Immense quantities are used in producing malt for both distilling and brewing purposes, and there is also a very large use of malted barley in cereal breakfast foods, and other forms of food. World production of barley runs close to a thousand million bushels annually...... with something less than ten per cent finding its way into international trade. Lately production of barley in the United States has been increasing, and so also have exports, which reached a total of nearly 60,000,000 bushels in 1928-9, while the highest Canadian export total was in 1926-7, at nearly 39,000,000 bushels. The United Kingdom has been our principal customer, with considerable quantities going also to Germany and to the Netherlands.

Export Market in Barley Collapses

During the past few years efforts have been made to get Canadian farmers to specialize more on distinct types of barley to fit the specialized needs of different trades. A new system of grading barley was provided for a year ago by Parliament with the idea of enabling producers of higher grades to get premiums for them. Unfortunately, the export market in barley practically collapsed during the past year, on account of heavy European production of coarse grains. Although barley production was smaller in Western Canada than for many years. 53,000,000 bushels, little more than the country has consumed itself in many years, there were not sufficient hogs in the country to create a demand for it. An export surplus has consequently piled up in the country elevators, with nowhere to send it, and barley prices, as a result have been extraordinarily low. These prices have been particularly hard on the Manitoba farmers who have relied on barley as a cash crop. On the other hand they have been very favorable to the farmer who has bought for feeding purposes. The falling off in Canadian production and export of bacon has been frequently deplored, but there has been no more remarkable instance of its effects than the making of a drug on the market out of the extremely small barley crop of last year.

Rye, Cash Crop, Loses Popularity

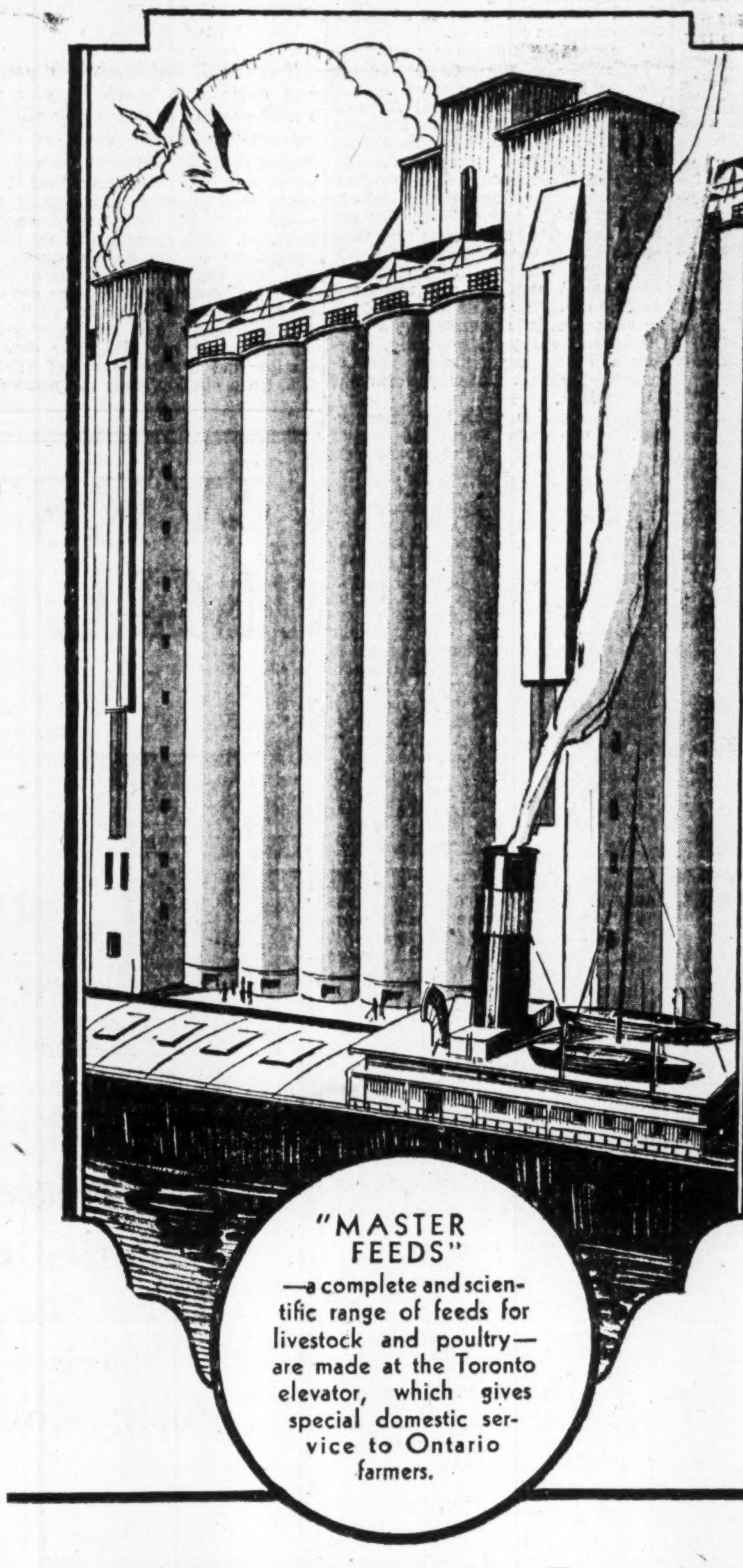
Back in 1922 nearly 2,000,000 acres of western land were devoted to rye, but there has been a steady shrinkage since that time to about 600,000 acres. Rye is grown almost entirely as a cash crop, and most of what we produce is exported. Normally it is not considered good practice to grow rye on land that will produce a good crop of wheat, but farmers turned to rye for a time in an effort to find a crop that could be sown in the fall and be expected to carry successfully through the winter. In some years fall sown rye gave remarkably good results, but the general experience has been to result in the shrinkage indicated.

On practically no farms is flax a regular crop. Acreage devoted to flax in Western Canada has shrunk from a high point of a million and a half acres to less than half a million. It used to be considered good practice for new settlers to take off a crop of flax from newly broken land, which could be counted on to produce a crop from land not reduced to a sufficient state of tilth for satisfactory wheat production.

Produced Chiefly for Its Oils

Flax in Western Canada is produced only for the seed, the value of which lies in the production of linseed oil. Various efforts have been made to find a profitable use for Canadian flax fibre, but while experimental tests have led to the conclusion that something might be made of this, they have not reached the point of commercial importance. The general rule appears to hold that flax must be produced either for fibre or for seed. There is nothing in sight to indicate the likelihood of the West making any material increase in its flax production. A prolonged period of high prices for linseed oil might result in increased seeding, but recent developments in the manufacture of paints, varnishes, or substitutes for them, in which linseed oil plays no part, seems to render such a development unlikely.

All told, the present outlook appears to be for a continuance of the decline of the relative importance of coarse grains in Western Canada as compared with wheat. Increase in livestock production and feeding might result in many farmers raising more oats and barley for feeding on their own farms. Except, however, for certain special areas it remains true that these grains do not compare favorably with wheat as cash crops.



"MASTER FEEDS"
—a complete and scientific range of feeds for livestock and poultry—are made at the Toronto elevator, which gives special domestic service to Ontario farmers.

TWO
MODERN
ELEVATORS

The two elevators operated by Toronto Elevators' Limited — one at Toronto and one at Sarnia—offer ideal storage for all grades of grain. They are fire-proof, modern structures and, because of their locations, they are the last to close and the first to open.

The Toronto elevator has a capacity of 2,000,000 bushels and the Sarnia elevator, with its new extension, holds 3,000,000 bushels. This total capacity of 5 million bushels is supplemented by the most efficient facilities for cleaning and shipping.

TORONTO ELEVATORS
LIMITED

Securities of Grain Companies Offer Investor Chance to Participate in Trade

Reliance Grain

Controls Storage of Large Capacity and is Equipped to Handle Grain from Farm to Seaboard

Reliance Grain Company Limited is one of the principal organizations of its kind operating in Western Canada. Generally speaking, it is equipped to cover the entire service of handling grain from farm to seaboard

The present organization came into being in 1927, when it acquired the assets and undertakings of Reliance Terminal Elevator Company, which in turn owned and operated a terminal elevator at Port Arthur; Smith-Murphy Company, Incorporated, of New York, carrying on a general grain commission shipping and export business; and all the outstanding shares of Province Elevator Company, which owns and operates 158 line or country elevators in the West.

Big Storage Capacity

In addition to these properties the company controls over 50 line elevators. The total storage capacity of the line elevators is 6,100,000 bushels, and of the Terminal elevators, 4,000,000 bushels, providing storage facilities for more than 10,000,000 bushels.

The financial record of Reliance Grain over the past few years has been somewhat similar to that of other grain companies, namely, large profits arising out of abnormally large grain crops in the West. Thus, operating profits increased from $888,936 in 1928 to $1,049,935 in the year ended July 31, 1929.

The usual practice of the Western grain companies in setting up substantial reserves providing for fluctuations in the volume of grain handled, has been followed by Reliance Grain. To that end, the company had a surplus of $1,029,387 at July 31, 1929. During that year earnings on the common stock amounted to $5.11, but to date no dividend has been paid on it.

Capitalization—	Authorized	Outstanding
Common	100,000 sh.	100,000 sh.
No par value.		
Preferred	$3,000,000	$2,000,000
Par $100.		

Funded Debt—
First mortgage, 6 per cent bonds, due 1948, series "A," outstanding $2,000,000.

Dividend Record—
Preferred—$6.50 per annum, cumulative, payable quarterly, March, June, Sept. and Dec. 15. Initial dividend of $1.62½ per share paid Mar. 15, 1928. Paid regularly since.

Officers and Directors—
Officers — S. T. Smith, pres.; W. A. Murphy, vice-pres.; A. W. Gibb, sec.
Directors—S. T. Smith, W. A. Murphy, C. G. Murphy, C. G. Smith, and H. A. Smith, Winnipeg, Man.; A. J. Nesbitt and P. A. Thomson, Montreal, Que.

CONSOLIDATED INCOME & SURPLUS ACCOUNT
Years Ended July 31

	1929 $	1928 $
Operating profits	1,049,935	888,936
Less:		
Bond interest	120,000	69,534
Depreciation	202,148	155,224
Income tax	57,000	49,411
Bond discount	30,000	30,000
Organiz. expense ...	......	10,427
Net profit	640,787	574,340
Less appropriations:		
Pref. dividends	130,000	55,740
Surplus for year	510,787	518,600
Add: Prev. surplus	518,600	......
Bal. carried forward ..	1,029,387	518,600
Times Bond Interest Earned:		
Before deprec.	8.75	12.78
After deprec.	7.06	10.55
Earn. per share and Div. Record:		
Preferred, earned ...	$32.04	$28.72
Paid	6.50	3.25
Common, earned	$5.11	*$4.44
None paid.		

*Earnings on the common shares for 1928 are calculated on the net profit less $130,000—being a full year's dividend on the preferred shares at 6½ per cent per annum.

Market Record—

	*1930 H	*1930 L	1929 H	1929 L	1928 H	1928 L
Common	20	5	45	13	55	40

*To April 15.

Alberta Pacific Grain

Occupies Strong Position in Trade—Is Largest Privately Owned Grain Handling Organization in the West

With a record of nearly 30 years' operations behind it, Alberta Pacific Grain Co., Ltd., is regarded as one of the largest and strongest elevator companies in the Dominion. Operations during the first few years were on a limited scale, but in 1909 the elevator business of Brackman-Ker Limited was purchased. Three years later the company acquired the elevators of the Alberta Pacific Elevator Company, the West Grain Company and the Calgary Terminal Elevator and the Globe Elevator Company.

At this time the properties of the company consisted of 100 country elevators and four terminal elevators, located at Calgary, Edmonton, Red Deer and MacLeod. British milling interests acquired control in 1925, but the following year the company was sold to a Canadian group and reorganized under the present name.

Has Wide Operations

As its name implies, the principal operations of the company are centred in Alberta. Its activities, however, are by no means confined to this province. A number of elevators are situated in Saskatchewan, and terminal elevators are owned at Vancouver, while the company has substantial holdings in elevator companies at Port Arthur and Fort William.

The company is engaged in the business of handling, sorting, storing, marketing and all other phases of the general grain business. In addition it handles coal and flour, and through a subsidiary in Vancouver, carries on a flour milling business.

Plow Back Earnings

Though the company has made no payment on its common stock to date, it has consistently ploughed back large sums into property and thereby strengthened the equity of the common shareholders. In the last fiscal year it added 37 country elevators, 20 coal sheds, and seven flour houses to its property, bringing the total number of elevators up to 375, exclusive of 180 dwellings, 300 coal sheds and 100 flour sheds. Automatic air dumps were installed in an additional 142 country elevators to keep pace with the growing demand for more speedy handling of grain, with the result that the company's equipment commands a high standard of efficiency.

Early last year, the company made an interesting departure from its usual policy. It acquired the Victory Flour Mills Company of Vancouver, with a capacity of 600 barrels of flour daily. This property is now being operated under the name of Atlas Flour Mills Limited.

Big Stake on Coast

Alberta Pacific has further substantial interest at the Pacific Coast Terminals. It owns a terminal elevator at Vancouver with a capacity of 2,225,000 bushels, which is leased to the Vancouver Terminal Company. In 1927 the company acquired a lease of another elevator with a capacity of 2,100,000 bushels, together with a pier capable of berthing eight ocean-going vessels. At the Head of the Lakes, the company has a substantial interest in many elevators, having a capacity of 14,000,000 bushels.

Good Earnings Record

The financial record of Alberta Pacific Grain since the time of the present incorporation, has been exceptionally good. Net earnings have increased from $967,403 to $1,440,906 for the year ended June 30, 1929. After taking care of all prior charges, including preferred dividends, the surplus carried forward at the end of the last fiscal year amounted to $1,726,784. Earnings on the common stock for the last fiscal year were equivalent to $7.03. This compares with $6.70 and $3.54 in 1928 and 1927, respectively.

The outlook for the current year is less favorable in comparison with last year. In the 1928-1929 crop year, a bumper harvest, coupled with speedy movement of grain, proved beneficial to all grain companies. This year, however, the crop is materially smaller, while the movement has been slow. Accordingly, though storage profits from country elevators will be higher, revenue from handling grain, which constitutes the company's major portion of revenue, will be lower.

Earnings of Alberta Pacific Grain are bound to fluctuate in accordance with the Western wheat crop. The company has provided for this contingency by ploughing back large sums during prosperous years and has strengthened its financial position to enable it to offset the effects of the lean years.

Capitalization—	Authorized	Outstanding
Preferred	$3,000,000	$3,000,000
Par $100.		
Common "A"	80,000 shs.	80,000 shs.
Common "B"	20,000 shs.	20,000 shs.
No par value.		

Funded Debt—
First mortgage 6 per cent, bonds due 1946, outstanding $3,224,500.

Dividend Record—
Preferred—7 per cent per annum cumulative, payable quarterly, Jan., Apr., July and Oct. 1. Paid regularly since incorporation of company in April, 1926. Common "A" and "B," none paid.

Officers and Directors—
Officers—James Stewart, pres.; F. W. Riddell, vice-pres. and man. dir.; Cecil Lamont, Calgary, sec.; S. B. Phipps, Calgary, treas.
Directors—James Stewart, J. C. Gage and A. C. Michael, Winnipeg; F. W. Riddell, Calgary; C. W. Band, D. A. Campbell and A. F. Culver, Toronto.

INCOME AND SURPLUS ACCOUNT
Years Ended June 30

	1929 $	1928 $	1927 $
Net earn.	1,440,906	1,352,505	967,403
Less: Deprec....	196,479	181,520	166,546
Bond interest.	211,210	206,500	219,733
Inc. tax, fees, etc.	119,840	84,702	....
Net profit	913,377	879,783	581,124
Less: Approp.:			
Pref. divs. ...	210,000	210,000	227,500
Surp. for yr.*..	703,377	699,783	353,624
Add: Prev. surp.	1,023,407	353,624	....
Bal. car. for'd.	1,726,784	1,023,407	353,624

*Before provision for income tax.

Times Bond Interest Earned:			
Before deprec.	6.82	6.55	4.40
After deprec..	5.89	5.67	3.64
Earn. Per Sh. and Div. Record:			
Preferred:			
Earned	$30.45	$29.33	$19.37
Paid	7.00	7.00	*7.66
Class "A" & "B":			
Earned	7.03	6.70	3.54

No dividends paid on either class.
*13 months.

Market Record—

	*1930 H	*1930 L	1929 H	1929 L	1928 H	1928 L
Common ...	28	18½	67½	25	70½	48
Preferred ..	91	87¼	101¼	84	102	96½

*To April 15.

Goderich Elevators

Elevators and Harbor Storage Have Combined Capacity of 8,750,000 Bushels

In commission for a period of over thirty years, the Goderich Elevator and Transit company, which operates three elevators at Goderich, Ont., now controls a combined capacity of 3,500,000 bushels, accommodation for 1,500,000 bushels additional having been provided during the past year. Electricity is used throughout the company's plant, and the machinery installed is such as to secure the prompt handling of grain. Both the Canadian Pacific Railway and the Canadian National Railways have liberal car storage tracks contiguous to the elevators, these being capable of storing 500 cars at a time. The railway shipping tracks run parallel with the elevators, thus obviating the necessity of interswitching and the attendant cost and delay.

In common with the other elevator companies doing business in Canada, the company has not had as much grain to handle during the past autumn and winter as usual, but some of the loss of revenue in this respect has been made up by the greater utilization of its storage facilities, which, during most of the autumn and winter, have been taxed to the full. Net earnings of the company over a period of six years have averaged around $145,000 after providing for all operating expenses, depreciation, Federal income taxes, etc., or an average of $1.72 per share on the 84,000 shares of capital stock outstanding.

The company in its present form and under its existing name came into existence in 1898, when a wooden-cribbed elevator of 500,000 bushels capacity was built. After a fire in 1905, this was replaced by a concrete structure and another 500,000 bushel annex was built in 1911. The capacity of the plant was doubled in 1923 to 2,000,000 bushels, and again this last year a further extension of 1,500,000 bushels was made, bringing the total capacity, as has been said, up to 3,500,000 bushels.

The port at Goderich is such as to lend itself well to the handling of grain. The harbor remains open usually up to the end of December and is always open very early in the spring. In the interval there is an absence of heavy ice formation. The channel of approach has been dredged to a depth of twenty-five feet and the inner harbor can accommodate vessels with a draft up to twenty-three feet. When all the vessel berths are in use twenty-two vessels can be laid up for the winter, the cargo capacity of these aggregating 5,250,000 bushels, bringing the total facilities for handling up to a maximum of 8,750,000 bushels of grain.

Capitalization—	Authorized	Issued
Common .... n.p.v.	90,000 shs.	84,000 shs.

Funded Debt—
None.

Dividend Record—
Present rate $1.40 per annum, payable quarterly, Jan., Apr., July and Oct. 1.

Officers and Directors—
G. L. Parsons, pres. and treas., M. McLaughlin, vice-pres., C. B. Watts, S. R. Stuart, C. R. Hunt, C. S. Band.

INCOME AND SURPLUS ACCOUNT
Year Ended March 31

	1929	1928
Gross earnings	$281,547	$255,086
Less: Oper. expenses	76,353	73,608
Net earnings	$205,194	$181,478
Add: Invest. interest	5,293	......
	$210,487	$181,478
Less: Depreciation	45,637	44,297
Taxes	19,710	16,210
Contingent res.	20,937	......
Stock re-adjust.	3,164	......
Sundry expenses	4,831	8,063
Net profits	$116,208	$112,008
Less: Dividends	116,208	112,008

North American Elevators

Barge Equipment to be Enlarged to Meet Requirements of Trade

North American Elevators, aside from being particularly well located, is the only privately owned export elevator on the Atlantic seaboard in Canada. The initial storage capacity of its elevator at Sorel, Que., amounts to 2,000,000 bushels of grain with provision for extension to a capacity of 6,000,000 bushels. The location at the junction of the Richelieu and St. Lawrence rivers is exceptionally favorable for the transfer of grain from lake vessels and railway cars to ocean vessels, or vice-versa. Concrete docks over 2,000 feet in length, with deep water on both sides of the elevator, permit the promptest handling of vessels of any size. Ample railway sidings, operated by the Canadian National Railways, assure adequate transportation facilities.

The company's elevator, constructed of reinforced concrete in the most modern fashion, is expected by the promoters to secure its full share of the existing and increasing business owing to its position a short distance east of Montreal. It is electrically operated throughout, being equipped with two travelling marine towers, each of 25,000 bushels' capacity per hour for unloading vessels and with an automatic car-dumper for unloading cars. Designed to be one of the fastest handling and most up-to-date elevators of its size and kind in existence, it is operated as a public service elevator, receiving, storing and shipping grain for the account of others under government supervision.

In connection with the transportation of grain from the Upper Lakes to Sorel, the company has secured control, through stock ownership, of the Red Barge Line, (owning six large new steel barges) in which close upon $300,000 has been invested in cash, and it has also entered into a working arrangement with the Sin-Mac Lines to supply the necessary tugs. This conjunction of effort has tended greatly to reduce operating costs. A lower-lake grain steamer carries a cargo of 90,000 bushels and is manned by 22 hands. About 12½ tons of coal are burned each day. Costs of operation aggregate $250 a day. A single barge, on the contrary, employs only four to six hands and carries 118,000 bushels; costs of operation will run between $35 and $40 a day. A favorable towing agreement has been made with the Sin-Mac Lines.

The construction of the company's elevator and docks up to the present has cost approximately $1,700,000, and, as has been said, there has been invested a further sum of nearly $300,000 in the Red Barge Line. The ultimate value of the barge will be about $912,000. To finance this extra equipment a bond issue is likely as soon as market conditions are favorable. Just now, the bond market generally has undergone an improvement, so that the financing in question may not be long delayed. The bonds will constitute a first mortgage on the elevator, representing a cost of 2.60 times the bonds to be issued in connection therewith. No further bonds may be issued by the company, except for 65 per cent of the amount expended for buildings or acquirements of further property.

When all constructional work has been completed, and the barges in operation, the company will have assets in plant, equipment, leaseholds and cash valued at over $2,400,000. The initial annual earnings of the company have been estimated to amount to $303,120. Shipping and grain interests are understood to have expressed much satisfaction with the added facilities made available by the Sorel elevator.

Capitalization—	Authorized	Issued
Common	100,000 sh.	100,000 sh.
No par value.		
1st preferred	$1,000,000	$350,000
2nd preferred	300,000	300,000
Par $100.		

Funded Debt—
First mortgage, 6 per cent, due 1950, $650,000.

Dividend Record—
1st Preferred—7 per cent per annum, cumulative, payable quarterly, Mar., June, Sept. and Dec. 15.

Officers and Directors—
J. E. Russell, chm. of board; J. Playfair, Pres.; J. Simard, F. M. Ross, R. A. Campbell, A. R. Roberts, C. H. Burgess, L. Wolfe.

United Grain Growers

Company Operates 463 Elevators, Two of Largest of Which Are in Port Arthur and Vancouver—Notwithstanding Lean Year, Outlook Promising

United Grain Growers, Ltd., is a company which was originally incorporated in 1906 with a Manitoba charter as the Grain Growers Grain Company, but which, following upon a Dominion incorporation, assumed its present name on the merger of the Grain Growers Grain Company and the Alberta Farmers' Co-operative Elevator Company.

The existing company carries on a business of handling grain, dealing in farmers' supplies and performing other services for farmers. In this connection it maintains 463 country elevators, 231 flour houses, 284 coal sheds and 120 cottages. Seventeen of the elevators in Saskatchewan and one in Manitoba are leased to the pools.

When the Hon. T. A. Crerer recently resigned to accept the position of minister of railways and canals at Ottawa, R. S. Law was elected president and general manager, J. J. MacLellan first vice-president, J. F. Reid second vice-president and C. E. Jackson secretary. E. E. Bayne, of Winnipeg, succeeded the Hon. Mr. Crerar as a member of the board of directors.

Two of the company's largest terminal elevators are the one located at Port Arthur, with a capacity of 5,500,000 bushels, which it owns and operates, and the one at Vancouver, with a capacity of 1,650,000 bushels, which is under lease from the Vancouver Harbor Commission.

Allotment of shares in the company can be made only to a farmer, the wife of a farmer or the owner or lessee of farm lands, and no one person is allowed to hold more than 100 shares. Shareholders are organized in locals and the annual meeting is composed of delegates elected by such locals.

The capital stock, owned by approximately 30,000 shareholders, consists of an authorized issue of $5,000,000 common stock having a par value of $25 per share, of which $3,377,575 has been subscribed and $3,162,986 paid-up.

The dividend paid at the present time is one of $2 per annum, or at the rate of 8 per cent. From 1911 to 1917, inclusive, the dividend was at a yearly rate of 10 per cent, but since the latter date, with three exceptions, the dividend each year has been on an 8 per cent basis.

The company, despite the decline in earnings due to the partial failure of the crop in the West last season, is reported to be in a good position. Though much grain may have to be carried longer than usual, the expectation is that it eventually will sell at satisfactory prices.

Capitalization—	Authorized	Outstanding
Common	$5,000,000	$3,162,986
Par $25.		

Funded Debt—
First mortgage 5 per cent bonds, series "A," due 1948, outstanding $3,653,500.
First mortgage 5½ per cent bonds, series "B," due 1949, outstanding $750,000.

Dividend Record—
Common—$2 (8%) per annum, payable on Sept. 1.

Dividends Paid in Fiscal Years

Year	Paid	Year	Paid
1911	10%	1921	6%
1912	10%	1922	...
1913	10%	1923	8%
1914	10%	1924	8%
1915	10%	1925	8%
1916	10%	1926	8%
1917	10%	1927	8%
1918	6%	1928	8%
1919	6%	1929	8%
1920	8%		

Officers and Directors—
Officers—R. S. Law, pres. and gen. mgr.; J. J. MacLellan, 1st vice-pres.; J. F. Reid, 2nd vice-pres.; C. E. Jackson, sec.
Directors—J. F. Reid, Orcadia, Sask.; F. J. Collyer, Welwyn, Sask.; J. Morrison, Yellowgrass, Sask.; G. E. Roose, Camrose, Alta.; D. G. McKenzie, Brandon, Man.; C. E. Hope, Fort Langley, B.C.; R. Shannon, Grandora, Sask.; S. S. Sears, Nanton, Alta.; R. C. Brown, Pilot Mound, Man.
Executive Committee—E. E. Bayne, R. S. Law, J. F. Reid, F. J. Collyer, J. J. MacLellan.

INCOME AND SURPLUS ACCOUNT
Years Ended Aug. 31

	1929 $	1928 $
Gross earnings	3,395,934	3,347,315
Less: Oper. exp.	2,237,757	2,141,069
Net earnings	1,158,177	1,206,246
Less: Deprec	418,118	298,274
Bond & mtge. int. ..	246,686	193,141
Net profits for year ..	493,373	714,831
Less appropriations:		
Com. divs.	252,271	243,157
Patronage divs.	......	114,756
To general res.	......	185,012
To depreciation	......	226,316
Alberta pool	......	
Surplus for year	241,102	†54,410
Add: Prev. surplus	502,373	605,988
Less: Pay. to Sask. Co-Op. Wheat Producers	......	......
Dom. inc. tax on prior years	59,107	49,205
Bal. car. forward	648,368	502,373

†Debit after transfer to reserves.

Times Mortgage and Bond Interest Earned:		
Before depreciation .	6.25	10.28
After depreciation ..	4.70	7.72
Earnings per Share and Dividend Record†:		
Common:		
Earned	$3.90	$5.77
Paid	2.00	2.00

†Earnings are based on the approximate number of fully paid-up shares and before Dominion income tax.

Market Record—
(Listed Winnipeg Stock Exchange)

	*1930 High	*1930 Low	†1929 High	†1929 Low
Common	22	17½	25	21

*To April 11.
†From Sept. 28.

Toronto Elevators

Company This Year Will Have All of Its Properties in Operation

Toronto Elevators, which owns and operates a grain elevator at Toronto and owns or controls all the outstanding capital stock of the Sarnia Elevator Company, is a comparatively new company that has made good progress thus far in its operations. For the period ended Sept. 30, 1929, covering 12 months' operations of the Sarnia company and 10½ months' operations of the Toronto Elevator, there were shown consolidated net earnings available for dividends on the preferred shares, after providing for depreciation and income taxes, of $194,835. On a similar basis the management estimates that, in the fiscal year ending Sept. 30, 1930, the net earnings available for dividends on the preferred will amount to $364,000 as against annual charges on the issue of $105,000. This estimate gives effect to the results expected with all of the company's properties in operation for the entire year.

The elevator at Toronto is situated on central harbor front property and an option has been secured to purchase two additional acres at any time up to April 1, 1933. Constructed in 1928, the elevator is an electrically-operated steel and concrete structure with a storage capacity of 2,000,000 bushels, completely equipped to transfer grain received either by boat or rail. In conjunction with its facilities in Toronto, the company operates a feed manufacturing plant which is also equipped with special machinery to condition grain. Besides its services as a public elevator the Toronto elevator is used to conduct a general grain and feed merchandising business. A great deal of trade is done with the larger organizations in the city which use horses in the delivery of goods. Ontario is an important stock-feeding district and the volume of this feed business, as well as the flour milling business, has grown substantially in recent years. The opening of the Toronto elevator resulted in bringing grain into Toronto at an all-water freight rate from the head of the lakes.

The elevator at Sarnia is newly-constructed and has a capacity of 3,000,000 bushels and is advantageously situated on the waterfront at that point. This unit has a system of continuous conveyors and modern switching equipment which ensures economy of time and labor in the movement of grain. Docking facilities for lake freighters and adequate railway sidings have been provided. There is a travelling marine leg with an unloading capacity of 25,000 bushels per hour. The management estimates that they will be able to handle approximately 20,000,000 bushels per annum. An enlargement of the elevator to bring it up to its present capacity was undertaken early last year and the new storage accommodation was ready in time to receive grain late in August.

The authorized capitalization of the company consists of $1,500,000 7 per cent preferred stock, with conversion privileges, the whole of which has been issued, and 40,000 shares of common stock of no par value, 25,000 shares of which have been issued. In the future, the preferred shares will decrease and the common shares increase as and when the conversion privilege is exercised. The preferred stock has preference as to assets in the event of voluntary liquidation to the extent of $110 a share and accrued dividends, and, in the event of involuntary liquidation, to the extent of $100 a share and accrued dividends. The stock is redeemable at any time by call in whole or in part at $110 a share and accrued dividends at 60 days' notice. The preferred stock is convertible at the option of the holder at any time prior to redemption into no par value common stock on the basis of one share of preferred stock for three shares of no par value common stock.

Capitalization—	Authorized	Outstanding
Common	*40,000 sh.	25,000 sh.
No par value.		
Preferred	$1,500,000	$1,500,000
Par $100.		

*15,000 shares reserved for conversion of preferred stock.

Funded Debt—
None.

Dividend Record—
Preferred—7 per cent per annum, cumulative from Apr. 15, 1929, payable quarterly, Jan., Apr., July and Oct. 15. Paid regularly.
Common—None paid.

Officers and Directors—
Officers—Jas. Playfair, pres.; F. K. Morrow, vice-pres.; G. C. Leitch, man. dir.
Directors—James Playfair, Midland; F. K. Morrow, G. R. Cottrelle, H. N. Bawden, G. C. Leitch, Toronto, F. Wellington Hay, M.P., Listowel; G. R. Martin, Minneapolis, Minn.; R. J. Pinchin, Midland, Ont.

CONSOLIDATED INCOME AND SURPLUS ACCOUNT
Period ended September 30, 1929
Being 10½ months' operations of Toronto Elevators, Ltd., and a full year's operations of The Sarnia Elevator Company, Ltd.).

Earnings from operations	$218,914
Less: Int. on city of Sarnia loan	19,395
Provision for depreciation	52,905
Prov. for income taxes	14,779
Net profit	194,835
Less appropriations:	
Interest on loans refunded from proceeds of preferred stock	20,838
Preferred dividends	52,500
Surplus carried forward	$121,497
Earn. per share and Div. Record:	
Preferred, earned	$11.60
Paid	3.60
Common, earned	4.86
None paid.	

Market Record—

	*1930 High	*1930 Low	1929 High	1929 Low
Common	21	19	27	19

*To April 15.

Western Grain Company

Storage Capacity of Its 273 Elevators Exceeds 11,650,000 Bushels—Company Over Period of Twenty Years Has Become Firmly Entrenched

While the amount of grain to be handled by the Western Grain Company during the current fiscal year, which terminates on July 31, 1930, doubtless will be considerably less than was the case last year, the storage facilities of the company, owing to the slowness of the crop movement out of the country, have been utilized to their capacity, which will go some distance toward maintaining its revenues.

During the last fiscal year, ending on July 1, 1929, profits of the company, after deducting all operating expenses, amounted to $811,706. From this amount bond interest of $105,000 and depreciation on terminal and country elevators of $175,497 were deducted, leaving net profits for the year, subject to Dominion income tax, of $531,209. When two preferred dividends totalling $65,000 had been paid, the surplus transferred to the new account was $466,309.

The bond interest, before depreciation, was earned 7.73 times and after depreciation 6.05 times. The preferred earned $26.56 and $3.25 was paid, while the common earned $2.33 and none was paid. These results were based upon the earnings for seven months following the formation of the merger in December, 1928.

The company is a merger of six grain and elevator companies formed between the years 1901 and 1909, all of which did business west of the Great Lakes. The combined capacities of all the elevators which it owns in Saskatchewan and Manitoba and at Fort William exceed 11,650,000 bushels. The company's holdings embrace, including one with a capacity of 3,250,000 bushels at Fort William, not only 273 elevators, but 62 coal sheds, as well as annexes, cottage and other properties and equipment necessary for the operation of an extensive grain business. Average annual net earnings of the businesses acquired for their last six fiscal years, available for bond interest, depreciation and income taxes, aggregated $788,732.

The terminal elevator at Fort William, which is located on freehold land and is situated on deep water, was specially designed for the most rapid and economical handling of the various types of grain produced in Western Canada and is fully equipped with modern cleaning, drying and handling machinery. All of the company's country elevators are so situated as to permit of economical shipment to Fort William, thereby assuring adequate and continuous supply of grain to the terminal at that point.

Capitalization—	Authorized	Outstanding
Common	200,000 sh.	200,000 sh.
No par value.		
Preferred	$3,000,000	$2,000,000
Par $100.		

Funded Debt—
First mortgage, 6 per cent bonds, series "A," due 1949, outstanding $3,000,000.

Dividend Record—
Preferred—6½ per cent per annum, cumulative and payable Jan., Apr., July and Oct. 2. Initial dividend was paid on April 2, 1929.

Officers and Directors—
Officers—C. G. Spencer, pres.; D. C. MacLachlan, vice-pres. and gen. mgr.; J. R. Rendall, sec.; D. J. Morrison, treas.
Directors—C. G. Spencer, D. C. MacLachlan, C. I. Hall, Donald Morrison, Sr., A. C. Reid, Jas. Stewart, Frank B. Stoddart, A. H. Williamson, all of Winnipeg. K. B. Stoddart, London, Eng.

INCOME AND SURPLUS ACCOUNT
Year Ended July 31, 1929

Net earnings after all oper. exp.	$811,706
Less: Bond interest	105,000
Depreciation	175,497
Profit for year subject to inc. tax	531,209
Less appropriations:	
Pref. dividends	65,000
Surplus for year	$466,209
Times Bond Interest Earned:	
Before depreciation	7.73
After depreciation	6.05
Earn. per share and Div. Record:	
Preferred, earned	$26.56
Paid	3.25
Common, earned	2.33
None paid.	

INTER. LOAN CO. HAS DISCOUNTED MANY DRAWBACKS

Good Progress Made Despite Three Periods of Unsettlement

Despite a smaller crop than was anticipated in the Canadian West during the past year, the International Loan Co. of Winnipeg, which does much of its business among the farmers of that region, experienced substantial progress in 1929. The assets of the company in the period in question passed the $1,000,000 mark for the first time, thus creating another milestone in its history. Of these assets $950,548 was represented in first mortgages and clear title agreements $25,181 in clear title real estate, $1,339 in accounts receivable and $27,413 in cash on hand and in banks. Assets on December 31 last were in excess of the company's paid-up capital by $180,650, and liabilities to the public were again nil.

The company paid a dividend of 3 per cent for 1929, making a total of 78 per cent for all dividends disbursed since its inception in 1913. By restricting dividends the management has been enabled to build up an undivided profit and reserve which, at the end of the past year, stood at $178,411. In the past six years there has been an increase in the undivided profit and reserve account of $138,002, which, when added to the $40,409 previously in evidence, made the total of $178,411. The value of building up a reserve will be apparent to every shareholder.

The progress of the International Loan Co. during the sixteen years of its history has been inseparably interwoven with the march of events in Western Canada. The drawbacks presented by the World War, which commenced just after the company's inception, the panic of 1921 and the great depression of 1929 all have been overcome. In the interval the company has greatly assisted the shareholders by giving them a definite plan of saving their money, who have had a little difficulty in meeting the installments on their shares, thus saving money which otherwise might have been spent. This money is used make first mortgage loans in Western Canada and has the advantage that the mortgages are owned in this country and the interest is kept at home.

Officers fo International Loan Co. are: H. F. M. Ross, president; A. Wishart, vice-president; G. W. Argue, managing director; J. Horsington, secretary-treasurer. The board of directors is composed of Messrs. Argue, Ross, and Wishart and J. E. Burns, J. Hall, J. G. Schill, B. McK. Gunn, J. B. Weber, J. H. Campbell and W. W. Pirt.

John Deere Plow Expands

The John Deere Plow Company has acquired a site of approximately 30,000 square feet of ground space in Brandon with the intention of building a complete and up-to-date warehouse, showroom and office building on the property.

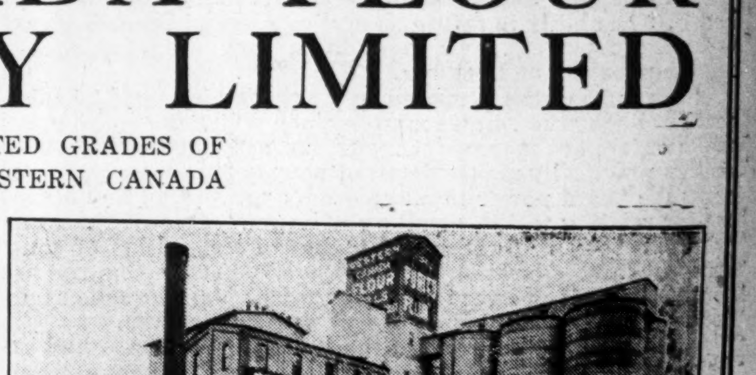
WESTERN CANADA FLOUR MILLS COMPANY LIMITED

MILLERS EXCLUSIVELY OF BEST SELECTED GRADES OF
HARD SPRING WHEAT GROWN IN WESTERN CANADA

Our Mills at Winnipeg, Manitoba.

MILLS AND ELEVATORS

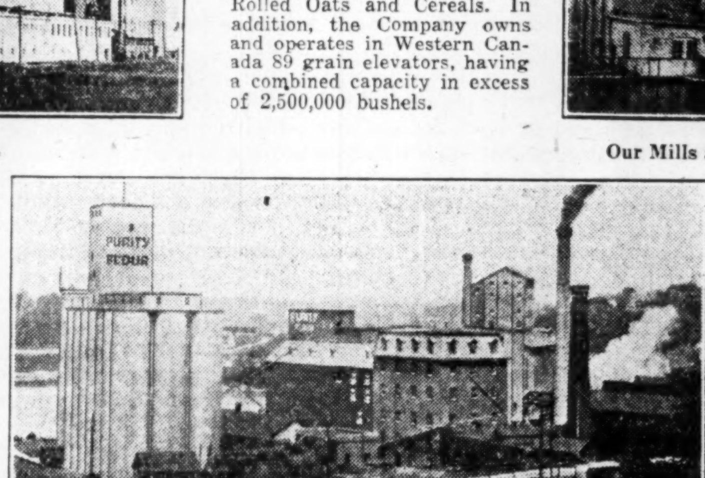
The Company owns and operates six Mills in Canada located at St. Boniface (Winnipeg), Goderich (Ontario), Calgary (Alberta), Brandon (Manitoba), Edmonton (Alberta) and Victoria (B.C.). The total daily capacity is 10,000 barrels of Flour and 1,000 barrels of Rolled Oats and Cereals. In addition, the Company owns and operates in Western Canada 89 grain elevators, having a combined capacity in excess of 2,500,000 bushels.



Our Mills at Calgary, Alberta. Flour, Rolled Oats and Cereals.

Products:

Purity Flour
Three Stars Flour
Hovis Flour
Purity Rolled Oats



Our Mills at Goderich, Ontario.

Products:

B. & K. Rolled Oats
Pioneer Poultry Foods
B. & K.
Poultry & Chick Foods
B. & K. Wheat Flakes

This Company has been engaged for many years in the domestic and export flour trade, shipping regularly to many parts of the world. It has built up a large business through paying particular attention to customers' wishes and also because of the thorough reliability and uniformity of its brands.

Having long experience and special facilities for selecting Western Canadian grain, the Company is always assured of the best yields, and, possessing large, modern, well-equipped Mills at strategic centres in Canada, it is able to offer exceptional values and maintained standards in Canadian flour.

HEAD OFFICE - - - - - - TORONTO, CANADA

History of Wheat In Canada Reveals Promise of Future

From First Crops by Red River Settlers to 1928's Bumper Returns, History Has Been One of Growth—Billion Bushel Crops Seen for Future

Canada is one of the controlling factors in the world's wheat production. In the year 1929 Canada produced an unusually small crop, but normally more than ten per cent of the world's wheat is produced in this country. Comparative figures for the year 1928 of world wheat production and Canada's wheat production are contained in the following table:

	Bus.
World wheat production in 1928	4,673,000,000
U.S. production (included above)	903,000,000
Russia (included above)	860,000,000
Canada (included above)	534,000,000
Argentina (included above)	310,000,000
India (included above)	290,000,000
Australia (included above)	159,000,000

Canada's outstanding position in wheat production is largely a development of the present century. In fact, it was the famous bumper crop of 1915 that put Canada on the world wheat map in a prominent way and the position has never been lost.

Dates Back to 1812

Western Canada is the great wheat producing area of Canada, contributing on the average more than 90 per cent of the fall and spring wheat of Canada. Wheat growing in Western Canada has a broken history dating back to 1812 when the Selkirk settlers cleared ground, tilled the soil and sowed winter wheat. Ground was broken with the hoe. The settlers had very little knowledge of soil conditions, winter weather, moisture, etc. It was small wonder then that the modest efforts of the first two years brought nothing but complete crop failures. Fights between the officers of the North-West Company and the Hudson's Bay Company reached the point of bloodshed and brought about the disbanding of the colony. A second effort to establish the colony was impeded by a plague of grasshoppers which ate up all the standing wheat and left the settlers without seed. A party was sent to Wisconsin to forage for a new supply and in 1819 they returned with 250 bushels of wheat which was diligently sowed and produced the first real wheat crops in the West.

Western Canada had its primary taste of bumper crops in 1824 when a wheat yield of 44 bushels to the acre was gained from ground that had been turned with the plough and 68 bushels from ground that had been broken burdensomely with the hoe. The crop was harvested with the sickle and threshed with the flail.

What a contrast between 1824 and 1929. For the hoe, power driven ploughs had been substituted. Combine reapers harvested and threshed in a single operation.

A few years after Confederation there was 1,500,000 acres of land sown to wheat in Western Canada.

Immigration Gives Stimulus

Toward the end of the last century came the beginning of the great tide of immigration which reached its peak in the pre-war years. New farms were broken and each new immigrant turned to wheat as the great easily-grown cash crop of the New West. By 1914, 10,000,000 acres of land was sown to wheat in Canada and the crop of that year jumped to just under 200,000,000 bushels. The war created a great demand for food and every farmer broke new ground and sowed every available acre to wheat. The acreage jumped by one half and 1915 saw over 15,000,000 acres sown to wheat in Canada. Nature was bountiful and set a new high record in average crop yield of 26 bushels per acre, which has never since been surpassed. With an increase in a single year of 50 per cent in the acreage and of nearly one hundred per cent in the yield per acre, it was natural that the harvest should almost double, and the year 1915 saw Canada harvest a crop of 356,800,000 bushels of wheat.

Enlarge Farm Sizes

Steady growth in wheat acreage has since been noted, due not only to the increase of population in the West and the steady northward march of the boundaries of the wheat-growing country, but to the enlargement of farm units and the use of machinery for the tilling of the soil, the planting of the seed and the harvesting of the crops.

Last year, 1929, saw a new high record established in wheat acreage, the area sown throughout Canada as a whole being 25,255,002 acres, an increase of over one million acres above the previous year.

1928 Brings Record Crop

In 1928 a new high record of production of wheat was achieved in Canada. Crop yields were exceedingly generous, exceeding any year since 1915 and averaging 22.1 bushels to the acre. The total yield was 533,572,000 bushels.

Following 1928 came a setback. Last year's crop yields were disappointingly low, due chiefly to the serious lack of moisture during the growing season in Western Canada. An unusual and prolonged drought greatly reduced the country's production. In Western Canada, in spite of a cool and backward spring season, larger areas were sown by the end of April than in the two previous years. While germination and growth were slow at first owing to cold, dry weather, rains and warmer weather brought conditions up to the average by the end of May. In June, however, drought set in and the condition of the crop deteriorated steadily as the heat and absence of rain continued. Grain crops in the West matured rapidly and with generally favorable weather, harvesting and threshing were completed in record time, but the damage had been done; yields, while variable and, in fact, quite normal in some fortunate areas, were, on the whole, greatly inferior to those of 1928 and decidedly below the average. Spring wheat produced an average yield of 11.4 bushels to the acre and the higher yields of fall wheat were only able to bring the average for all wheat in Canada to just under 12 bushels to the acre.

Some areas were completely burnt out while other areas had satisfactory returns and conditions were decidedly spotty.

Grades of Wheat Were Higher

A fortunate feature of the situation was the fact that the grades, which had in the previous three or four seasons been running below normal and had caused considerable worry among agriculturists as to tendencies in Western wheat crop, were quite better than average. This helped to compensate farmers for their lower production, but, as early promises of good prices failed to materialize, the benefit was not great.

This hurried story of the development of wheat growing in Canada indicates that there is no slowing up in the rate of growth in wheat acreage in the country. There is no doubt as to the future expansion of wheat growing in this country. The adverse conditions of the past year may have the effect of reducing the rate of growth in wheat acreage in the next few years. Also the abandonment of schemes for large scale settlement of the areas of the West will tend to keep growth of wheat production in check. The next thirty years are hardly likely to see the development of the past thirty years duplicated in geometrical ratio, although the actual increase in production on an arithmetical basis may be as great as we have seen since 1900. In the three western provinces of Canada it is estimated that the total arable agricultural land is 157,000,000 acres. Occupied farm lands now total less than 60,000,000. It is not to be anticipated that much of the remaining unoccupied land is as useful agricultural soil as the areas now cultivated. Some of it undoubtedly is; witness for example the 47,000,000 acres of good land awaiting the plow in the Peace River district.

See Billion Bushel Crop

Steady growth of the wheat acreage of Canada to around 50,000000 acres at least may be expected and this in good years will produce 1,000,000,000 bushels of good wheat. As no other country in the next generation is likely to experience similar growth in wheat production Canada is likely to assume first place as a wheat producing country just as she is today—in normal years—the leading wheat exporting country of the world.

Montreal Ranks Second Amongst All Harbors On American Continent

But Leads World As a Grain Handling Port—Enormous Volume Poured Through Montreal in Past Decade

Montreal harbor is one of the largest and best-equipped seaports in the world, and is second only to New York on the American continent. It comprises nearly nine miles of deep draft wharf, capable of accommodating one hundred large ocean steamers. It is the greatest grain exporting port in the world, even exceeding the port of New York. For the eighth successive year the harbor of Montreal exported in 1928 more grain than any other ocean port in the world.

Shipments of 90,641,258 bushels of grain during the past year showed a marked decrease from those of 1928, which constituted a record in the history of the harbor. In 1928 a total of 1,607 vessels of 5,494,062 net registered tonnage arrived from oceanic ports, and 5,873 of 13,735,403 tons arrived from Lake ports, while Montreal harbor exported 211,136,930 bushels of grain in one season of navigation.

Many new records were created in establishing this precedent. Among these were the largest total single receipts for any one day, the largest total delivery for any single day, the largest export of wheat for any single season, and finally, the largest margin of supremacy over all competing grain ports, including those which are open all year round.

Is Open For Seven Months

The dominating position of the port of Montreal is more noteworthy when it is recalled that the port is open for navigation approximately only seven months of the year. However, into that seven months is crowded, in normal years, the movement of the wheat crop of Canada's western provinces. To cope with this stream of grain, the Harbor Commissioners have equipped the harbor with the most efficient grain handling machinery available. The grain elevator capacity is 15,162,000 bushels. Four modern elevators can deliver grain simultaneously at an estimated rate of 500,000 bushels per hour.

The tonnage of merchandise handled through the harbor of Montreal in 1928 was greater than in any previous year, reaching 12,589,126 tons. Three systems of canals have their terminals in the harbor of Montreal, the St. Lawrence Canal system of 1,230 miles to the Great Lakes, minimum depth 14 ft., the canal to the United States via the Richelieu River and Lake Champlain, length 127 miles, and the Ottawa River Canal, length 119 miles.

Inaugurate New Steamer Service

Of exceptional interest in 1929 operations was the inauguration of the Canadian National Steamships service to the West Indies. The S. S. Lady Somers made the initial voyage in May, 1929, from Montreal, and was soon followed by the Lady Rodney. These new vessels made fortnightly sailings from the port during the season carrying full complements of passengers and heavy cargo on almost every sailing. The westbound sailings carried large quantities of bananas and fresh fruit and it is expected that the trade both ways will show steady expansion.

Naturally the slump in the movement of grain had a depressing effect on the harbor. Many ships were idle while the actual handling of grain done by the harbor elevators was small in comparison with the previous year. But though grain business fell off there are notable gains made in other divisions. Coal imports at Montreal were 697,507 tons as compared with 493,098 in 1928. Six vessels left port with full cargoes of hay, carrying 78,642 tons as against 39,118 in the previous year. Imports of lumber, too, showed wide increases, rough lumber imports amounting to 81,863,552 feet b.m. an increase of 12,000,000 feet b.m. while crude oil imports were higher by 400,000 at 1,428,360 tons in 1929.

In the seven year period between 1921-28, revenue of the port of Montreal nearly doubled, imports through the port doubled, exports increased nearly 50 per cent, and grain shipments increased by over 70,000,000 bushels. Though the figures for 1929 have not yet been published, grain shipments will show a marked decline from those of the previous year. However, movement of the wheat in Canada is expected to begin in the near future, and Montreal should once again resume its activity in marketing Canada's greatest source of wealth—grain.

West Can Produce Wheat And Make Profit at 50c

Farm Units Tend Larger—Mechanization to Reduce Costs More Important Than Co-operative Marketing

In another generation only 10% of the population of western Canada will be required on the land. Farm units will be larger, probably 640 acres minimum. Machine power will have almost entirely replaced man power. Canadian farmers must now bend all their energies to lower production costs or be prepared to lose the market, which Canadian wheat has gained, to Russia and the Argentine, which are going in intensely for farming mechanization.

These are some of the statements made by A. E. Ottewell, registrar of the University of Alberta, in an address at Winnipeg. Mr. Ottewell foresaw the day of 50 cent wheat production at a profit on huge mechanized farm in Canada, Argentine and Russia.

Mr. Ottewell for 16 years has been director of university work in Alberta, in the course of which he has travelled into every corner of the province. In these 16 years he has noted a change in agricultural conditions which, he declared, is with astonishing rapidity developing to the proportions of an industrial revolution.

Display Skilled Labor on Farms

The effects of this revolution will be far-reaching. Mr. Ottewell warned. There will be displacement of skilled labor and western Canada will be hard put to find employment for even its present population. Industrial development must be encouraged to take care of the laborer.

Immigration must be rigidly controlled until the west has emerged from the period of readjustment upon which it is now entering, he held.

The revolution will be brought about by the mechanization of farming, Mr. Ottewell said. The movement started ten years ago.

To show the rate at which it has proceeded, he said that since 1922 there has been 58,610 tractors sold in western Canada, of which about one-quarter were sold in 1921 alone. Similarly, 1922 saw the advent of the first combine harvester, but in 1929 there were no less than 7,726 in use in the west. It was significant, he said, that in 1929 only 2,095 threshers had been sold in western Canada, but 3,925 combines.

The solution for the ailment from which agriculture at present is suffering is, first and foremost, lowering the cost of production, said Mr. Ottewell. While he did not discount the value of co-operative marketing movement, he warned against considering it a panacea, or even a matter of prime importance.

Improve Root Crops

The Provincial Department of Natural Resources, with the view of increasing the production of higher quality root crops in Nova Scotia, is conducting a seed show and short courses of instruction at the Nova Scotia Agriculture College.

Build Airplanes in West

The Dominion Aid Industries Limited, which recently leased a site and factory with option of purchase in Medicine Hat, expects to start operations shortly on the building of its first airplane. The flying field will cover 268 acres.

N. Bawlf Grain

Company's Operations Cover Wide Territory in West; Owns More Than 115 Country Elevators

N. Bawlf Grain Company, Limited, is one of the old established grain companies in Canada in which the public has been offered an investment interest in recent years. Up until May, 1928, the company was controlled by private interests; at that date the present concern was incorporated and an offering of preferred and common stock was made to the public.

The first annual report of Bawlf Grain which covered the twelve months ended July 31, 1929, was encouraging and profits were equal to $5 a share on the common stock.

Bawlf Grain has built up a strong financial position and its various activities together with its widespread operations tend to strengthen its structure. The company owns and operates 116 country grain elevators in Manitoba, Saskatchewan and Alberta. Through stock ownership in subsidiary companies it controls an additional 25 elevators so that its total chain is well distributed throughout the three provinces, a factor which fortifies the company against heavy loss in the case of crop failures in individual localities. Combined storage capacity of these elevators is 5,450,000 bushels.

Terminals Are Important

Other activities include terminal operations and coal business. Bawlf owns 50 coal sheds and carries on an active business in this division. The terminal elevator, however, is an important part of Bawlf's structure. Through stock ownership the company controls the Bawlf Terminal Elevator Company which operates a modern concrete terminal elevator located on deep water at Port Arthur. It was built in 1923 and is fitted with cleaning, drying and handling equipment. The capacity of the elevator was enlarged in 1927 by 1,000,000 bushels and today will accommodate 2,500,000 bushels.

While this structure cares for the company's grain shipments on the Great Lakes, Bawlf has made arrangements which enable it to ship through Vancouver, through a contract covering a five-year period from August 31, 1926, with Vancouver Terminal Company and the Pacific Terminal Company, which control approximately 4,000,000 bushels capacity at that port.

Bawlf Grain Company has done well over a long period of years and it may be expected to prosper in the future.

Capitalization—	Authorized	Outstanding
Common	100,000 shs.	*60,000 shs.
No par value.		
Preferred	$2,500,000	$2,000,000
Par $100.		

* Under the terms of a voting trust agreement, dated June 7, 1928, 31,000 common shares have been registered in the joint names of H. J. Symington, K.C., W. R. Bawlf and A. F. Culver, who have the right to vote all of the shares at all the meetings and elections of directors until May 21, 1933. The said 31,000 shares are included in the 60,000 shares shown as outstanding.

Funded debt—
None.

Dividend Record—
Preferred—$6.50 per annum, cumulative, from June 1, 1928, payable quarterly, Mar., June, Sept. and Dec. 1. Initial dividend of 1⅝ per cent paid Sept. 1, 1928, and regularly since.
Common—50 cents per share paid Nov. 1, 1929.

Officers and Directors—
Officers—William R. Bawlf, pres.; W. J. Pope, sec.; E. J. Hopkins, treas.; F. S. Meyer, asst. sec.; N. W. Bawlf, asst. treas.
Directors—W. R. Bawlf, man. dir.; C. N. Bawlf, N. W. Bawlf, G. C. Griffin, W. Pope, H. W. Webster, all of Winnipeg; H. J. Symington, K.C., Montreal.

CONSOLIDATED INCOME & SURPLUS ACCOUNT
Year ended July 31, 1929

	$
Operating profits	605,751
Less: Bond interest	34,266
Depreciation	101,933
Income tax	39,500
Net profits	430,052
Less appropriations:	
Pref. dividends	130,000
Special reserve	40,000
Surplus for year	260,052
Add: Prev. surplus	807,736
Bal. carried forward	1,067,788
Times Interest Earned:	
Before depreciation	17.68
After depreciation	14.70
Earn. per Share and Div. Record:	
Preferred:	
Earned	21.50
Paid	6.50
Common:	
Earned	$5.00
None paid.	

Market Record—

	*1930 H.	*1930 L.	1929 H.	1929 L.
Common	26	26	31	24
Preferred	83	83	94	82

* To April 15.

BAWLF TERMINAL ELEVATOR
(Subsidiary of N. BAWLF GRAIN CO.)

Capitalization—	Authorized	Outstanding
Common	15,000 shs.	5,138 shs.
Par $100.		

All the outstanding shares are owned by the parent company, 5,133 being registered in the company's name and 5 held as directors' qualifying shares.

Funded Debt—
First mortgage, series "A," 6½ per cent serial bonds, outstanding $320,000; 6 per cent series "B," due 1942, outstanding $205,000.

Federal Grain, Limited

Total Storage Capacity of Its 341 Elevators Aggregates 18,500,000 Bushels

Federal Grain, Limited, was incorporated under the laws of the Dominion about a year ago and embraces nine grain and elevator companies that had previously done business in the Canadian West. These constituent companies mainly had been formed between 1910 and 1917, though one at least came into existence as late as 1927. The company operates no less than 338 country elevators in the three Prairie Provinces, having an aggregate capacity of approximately 11,250,000 bushels, and three terminal elevators at the head of the Great Lakes, with a combined capacity of 7,250,000 bushels. Through allied companies access is had to the terminal elevators at Vancouver, where shipments of grain may be made by means of that port.

The company, which was promoted by two of the largest investment banking houses in the country, started its career under the most favorable auspices. The average earnings of the properties that were acquired for the three years 1926, 1927 and 1928, after deduction of operating and maintenance expenses and local taxes, left $1,329,738 available for bond interest, depreciation and income taxes. This is equivalent to 5.21 times the annual interest requirements of $255,000 on the bonds outstanding. An annual cumulative sinking fund of 2 per cent, plus interest on bonds previously redeemed, will be provided for redemption of Series "A" bonds, commencing December 1 next.

One of the largest independently controlled grain elevator companies in Canada, the properties which it controls, including country and terminal elevators, coal sheds, cottages, etc., after allowance for depreciation, have an estimated value of $7,919,346. Working capital at the time of the formation of the merger was reported to be not less than $1,250,000, together with additional miscellaneous assets totalling $80,654. The consolidated assets, therefore, amount to $9,250,000.

Investment interest in this company consists of an issue of $4,250,000 first mortgage bonds and an issue of $3,000,000 6½ per cent cumulative preferred shares. The interest to yield 6 per cent. The bonds were sold at 100 and accrued interest to yield 6 per cent. The offering of preferred stock was made at a price of $100 per share and accrued dividend, with a bonus of four no par value, class "A" common shares with each ten preferred shares.

Capitalization—	Authorized	Outstanding
Com. Class "A"	160,000 shs.	160,000 shs.
Com. Class "B" n.p.v.	40,000 shs.	40,000 shs.
Pref. cum. 6½%	$4,000,000	$3,000,000
Par $100.		

Funded Debt—
First mortgage 6 per cent, bonds, Series "A," due 1949, outstanding $4,250,000.

Dividend Record—
Preferred—6½ per cent per annum, cumulative from August 1, 1929, payable quarterly Feb., May, August and Nov. 1.
Class "A" and "B"—None paid.

Officers and Directors—
Officers—J. C. Gage, pres.; H. E. Sellers, vice-pres.; A. C. Michael, gen. mgr.; E. W. Neville, sec.
Directors—James Stewart, chm.; J. C. Gage, H. E. Sellers, A. C. Michael, F. W. Riddell, H. D. K. Sellers, J. H. McDonald, H. J. Symington, K.C., and Alan H. Williamson.

Earnings—
Combined net earnings of the properties acquired, after deduction of operating expenses, maintenance expense and local taxes, and available for bond interest, depreciation and income taxes, for three years were as follows:

1926	$1,200,854
1927	1,297,252
1928	1,491,108

Wheat Value $289,000,000 On Farms of Prairies

Revised Estimate by Statistical Service Shows Big Drop from 1928 Purchasing Power in West

Steady decline in value of various grains has forced a number of revisions in estimates of the value of the 1929 crop. W. Sanford Evans Statistical Service have revised their earlier estimates downward and they give the values of the 1928 and 1929 crops in the prairies as follows:

	Production	Aver. Yield per Acre	Value
Wheat			
1929	279,251,000	11	$289,363,897
1928	537,810,000	23	441,657,424
Oats			
1929	146,918,000	18	75,077,240
1928	312,699,000	38	121,541,642
Barley			
1929	76,606,000	15	43,024,310
1928	121,392,000	30	61,306,819
Flax			
1929	1,863,000	5	4,425,204
1928	3,773,000	10	6,042,957
Rye			
1929	11,044,000	12	9,066,120
1928	14,158,000	19	10,672,844

The present estimate is based on the estimated average value per bushel received by all farmers, both pool and non-pool, and is subject, of course, to still further revision.

Lake and Rail Warehouse

Lake and Rail Warehouse and Elevator Corporation, which owns warehouse, grain storage and transfer elevator on the inner harbor at Buffalo, N.Y., is a subsidiary of the International Milling Company, which, in turn, owns and operates mills at Calgary, Alta., Moose Jaw, Sask., and Saskatoon, Sask., as well as at five points in the United States.

Lake and Rail Warehouse was incorporated in 1926 to operate at Buffalo a warehouse, grain storage and transfer elevator of approximately 3,360,000 bushels capacity and a flour mill with daily capacity of 6,000 barrels per day. The property was leased to the International Milling Company for 26 years dating from Dec. 1, 1926. Rental is payable throughout the term of the lease regardless of completion or destruction of the buildings.

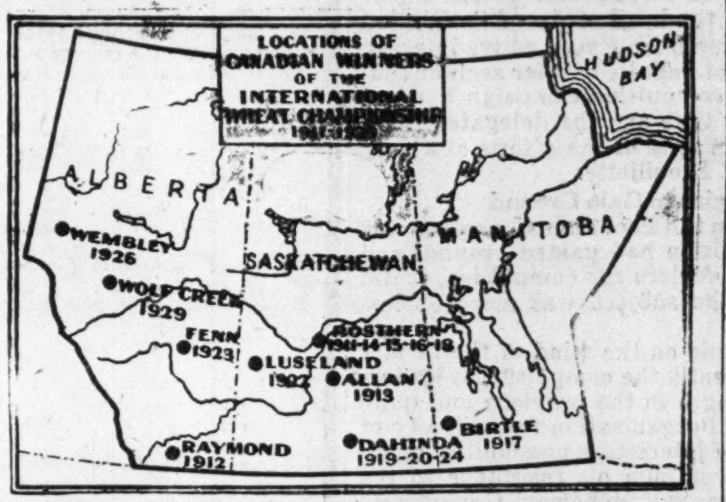
Of the capital stock of the subsidiary, the 20,000 common shares of no par value are entirely owned by International Milling, while the latter guarantees interest and sinking fund payments on a $1,400,000 6 per cent bond issue, Series "A." Provision annually is being made by the parent company to retire this bond issue at maturity on Dec. 1, 1951. A 6 per cent issue of first mortgage bonds is in the hands of the trustees to compensate International Milling for any further additions to the Buffalo property.

Capitalization—
Authorized and issued 20,000 common no par value shares, entirely owned by International Milling of Delaware.

Funded Debt—
First mortgage, 6 per cent bonds, series "A," due 1951, outstanding $1,358,500.
Series "B," 6 per cent, due 1951, outstanding $600,000.

Officers and Directors—
J. J. Kovarik, pres.; J. G. Webster, vice-pres.; W. A. Lansker, sec.-treas.

International Successes in Wheat



The successes of Western Canadian farmers in international wheat competitions, within a period of nineteen years since the institution of the award in 1911, constitute one of the most impressive features in the records of Canadian agriculture. On fifteen occasions, the Dominion's representatives won against all North America with exhibits of hard red spring wheat and in addition in two other years they carried off the prize for the best hard red spring wheat, although in the two years just referred to they lost the grand championship to hard red winter wheat by a narrow margin. The work of these master farmers' has brought them high personal distinction, for the winning of such competitions is, first and foremost, a tribute to the talent of the exhibitor. But their work has done more than that—it has brought renown to the West, and to the whole Dominion.

Midland-Pacific

Can Double Existing Terminal Facilities at Comparatively Little Cost

The Midland Pacific Grain Corp. owns and operates a series of country elevators in the three Prairie Provinces. As a majority of the corporations' elevators are located in the Province of Alberta, a large percentage of the grain handled has been cleared through Vancouver. To facilitate these operations, the parent company created a subsidiary known as the Midland Pacific Terminal, which handles all the corporation's grain through a terminal elevator maintained at that point.

The Midland Pacific Grain Corp. was incorporated in 1928 to bring about a merger of Randall, Gee & Mitchell and the Midland Grain Company, which formerly had been operated under the same management. The subsidiaries had conducted a general grain business since 1899 and had been in the process of consolidating their elevator line since 1916, developing their business via Vancouver with the growth of that port.

The company owns or controls 43 elevators situated in Alberta, Saskatchewan and Manitoba, whose storage capacity is 1,355,000 bushels. These taken in conjunction with the terminal elevator at Vancouver brings the total storage facilities of the two companies up to an aggregate of 1,855,000 bushels. The terminal elevator is so arranged as to be capable of expansion to double its present capacity at little cost.

The public investment interest in this enterprise is derived through its $1,000,000 issue of 7 per cent cumulative preference stock, with a par value of $100 a share, of which $500,000 has been issued.

The storing, shipping and cleaning of grain, which is a vital service in the marketing of Western Canada's grain crop, has been greatly assisted by the Midland Pacific Grain Corporation and the Midland Pacific Terminal. Both are efficiently managed and command at all times an adequate share in the business offering.

Capitalization—	Authorized	Outstanding
Common	100,000 shs.	100,000 shs.
No par value.		
Preferred, 7%	$1,000,000	$500,000
Par $100.		

Funded Debt—
None.

Dividend Record—
Preferred—7 per cent per annum, cumulative, payable quarterly Jan., Apr., July and Oct. 1.

Officers and Directors—
Officers—A. C. Randall, pres.; C. W. Roenisch, vice-pres. and man. dir.; J. Whittle, treas.; A. Watson, sec.
Directors—A. C. Randall, C. W. Roenisch, J. Whittle, C. E. Huntting, Jr., A. Watson, D. Clive Betts, G. F. Tull, W. Ardem.

MIDLAND PACIFIC TERMINALS
(Controlled by the Midland & Pacific Grain Co.)

Capitalization—	Authorized	Outstanding
Common	$500,000	$200,000
Par $100.		

All the stock is held by the parent company.

Funded Debt—
First mortgage 6½ per cent bonds, due 1943, issued $300,000.

Officers—
A. C. Randall, pres.; C. W. Roenisch, vice-pres.; J. Whittle, mgr., Vancouver.

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Compulsory Pool Strongly Opposed By Wood, McPhail

Strong Campaign to Force Farmers to Sell Through Wheat Pool is Being Conducted in Saskatchewan—Alberta Farmers Would Probably Drop Out of Central Selling Agency

There is a lull in the agitation in Saskatchewan for the compulsory pooling of grain, but it is only an armed truce, with hostilities ready to break out as soon as the agreed period of the truce has expired.

The proponents of the project of compulsion, who include the leaders of the United Farmers of Canada, Saskatchewan section, and a number of members of the Saskatchewan Wheat Pool Board under the leadership of the vice-president, L. C. Brouillette, have received a check in their operations, but it was a check for which they were prepared in advance, and in connection with which their plans were already laid.

Requires Legislation by Two Governments

Compulsory pooling means getting a law passed by the legislature of Saskatchewan and reinforced by such Dominion Government legislation as is necessary, compelling every farmer in Saskatchewan to market his wheat only through the pool and to accept the pool price for it. Presumably, in the minds of those who advance the idea the pool would continue to be run by the voluntary members, the contract signers, and the involuntary ones, the conscripts, would not participate in its control or management

Wood Denounces Idea of Compulsion

It is only in Saskatchewan that the idea of compulsion has made headway. Even there it is opposed by the president of the Saskatchewan Wheat Pool. Mr. McPhail, who has campaigned on one side of the question while his vice-president, Mr. Brouillette, has been campaigning on the opposite side. H. W. Wood, president of the Alberta Wheat Pool, has denounced the idea of compulsion in more vigorous language than anyone else has used, while Manitoba shows no sign of being interested.

But in spite of that opposition the compulsion campaign in Saskatchewan has been in full vigor for more than eighteen months, and shows no sign of abatement.

The United Farmers of Canada, Saskatchewan section, is a farmers' organization of what is called the "educational type," not itself engaged in business and having no official connection with the Wheat Pool, although most of its members are probably members of the latter body. Indeed, its membership fees are mainly collected by means of requisitions drawn upon the Wheat Pool. At their convention in January, 1929, the United Farmers, whose organization was captured by the more radical element of the membership, declared in favor of compulsory pooling, and instructed their board of directors to carry on an active educational campaign in the province in order to bring it about. That was done during the past year, and Aaron Sapiro, the well-known evangelist of pooling, was imported from the United States to conduct meetings in favor of compulsion. A stream of propaganda was emitted from the head office of the United Farmers and the subject became one of very active interest. In June of 1929 the Wheat Pool held its regular semi-annual meeting of delegates, but the compulsion campaign had not taken very strong hold at that time and the delegates voted down the idea of compulsion, in spite of the efforts of a very strong minority, headed by Mr. Brouillette.

Compulsion Idea Begins to Gain Ground

But by last November, when the Pool annual meeting was held, the sentiment for compulsion had gained ground, and although the meeting did not declare for compulsion, it did not declare against it, and the subject was more or less evaded.

What effect all this is having on the mind of the farmer it is impossible to say, but evidently the compulsionist leaders are conscious of growing strength in the province and quite expect to force the Wheat Pool organization to their way of thinking. If they do, a series of interesting possibilities opens up. Will President McPhail continue his resistance to the point of resigning? Will the Saskatchewan Government resist? Will it be put up to the Dominion Government and the Dominion Parliament to enact enabling legislation? Or will the demand suddenly veer from compulsion by the Government to control by the Government, provincial or Dominion, of the marketing of wheat?

Would Introduce Government Interference

Mr. McPhail, in his public opposition to the idea of compulsion has very largely made his stand on the ground that legislation to that effect would mean government interference. In a speech at Elfros, Sask., during October last: he said:

> "It can be taken for granted that if compulsory legislation were secured the government would have representation........Do they (the farmers) believe it would be a good thing to have the control and direction of their business become a political football, or at the mercy and whim of a political party."

He also dwelt on the trouble that would arise from those forced into pooling against their will, and said:

> "Would the control of all the wheat......counterbalance all the distrust and bitterness such an action would engender......Should we at this time lead off on a road which is fraught with dangers. pitfalls, dissension and bitter feelings, which any compulsory measure as affecting the very livelihood of men and women will surely arouse."

Wood Expresses His Disapproval

H. W. Wood, who is president of both the Alberta Wheat Pool and the United Farmers of Alberta, considered the subject of sufficient importance to devote to it nearly all of his presidential address at the last convention of the U. F. A. Following are some of his remarks:

> "The agitators want the non Pool man's rights to sell his wheat in his own way taken away from him. They also want the rights of the Pool member taken away from him.
>
> "They want to pollute and stagnate these waters with legislative curtailment of citizenship rights. They are tired of a Pool. They want a Puddle!
>
> "No wheat grower under this legislation will be a free man with free citizenship rights. The present contract signer will be bound exactly the same as the non-contract signer. We will all be in a trade slave pen together.
>
> "Unless there is a miraculous change in the sentiments of the wheat growers of western Canada, there will be an overwhelming majority against the institution into which they have been forced.
>
> "It has been suggested that at the end of the present contract period we can go back to the old trade systems if so desired. But there will be no trade systems to go back to. Both the voluntary contract system and the present open market system will have been destroyed."

Alberta Would Split With Saskatchewan

In the face of such opposition as this it is hardly to be supposed that the proponents of compulsion in Saskatchewan can dream of continued co-operation with the Alberta Pool through a central selling agency should they get their way in Saskatchewan. Nor is it likely that Alberta would be willing to carry on in association with a compulsory organization. Evidently what the Saskatchewan agitation will lead to, if successful, and its success is by no means impossible, is a new marketing agency for Saskatchewan grain alone, for the creation of which the Saskatchewan Government would be responsible, for the results of which it would certainly be held responsible by those forced into it, and for the daily operation of which, as well as for its financing, it would almost inevitably have to take responsibility.

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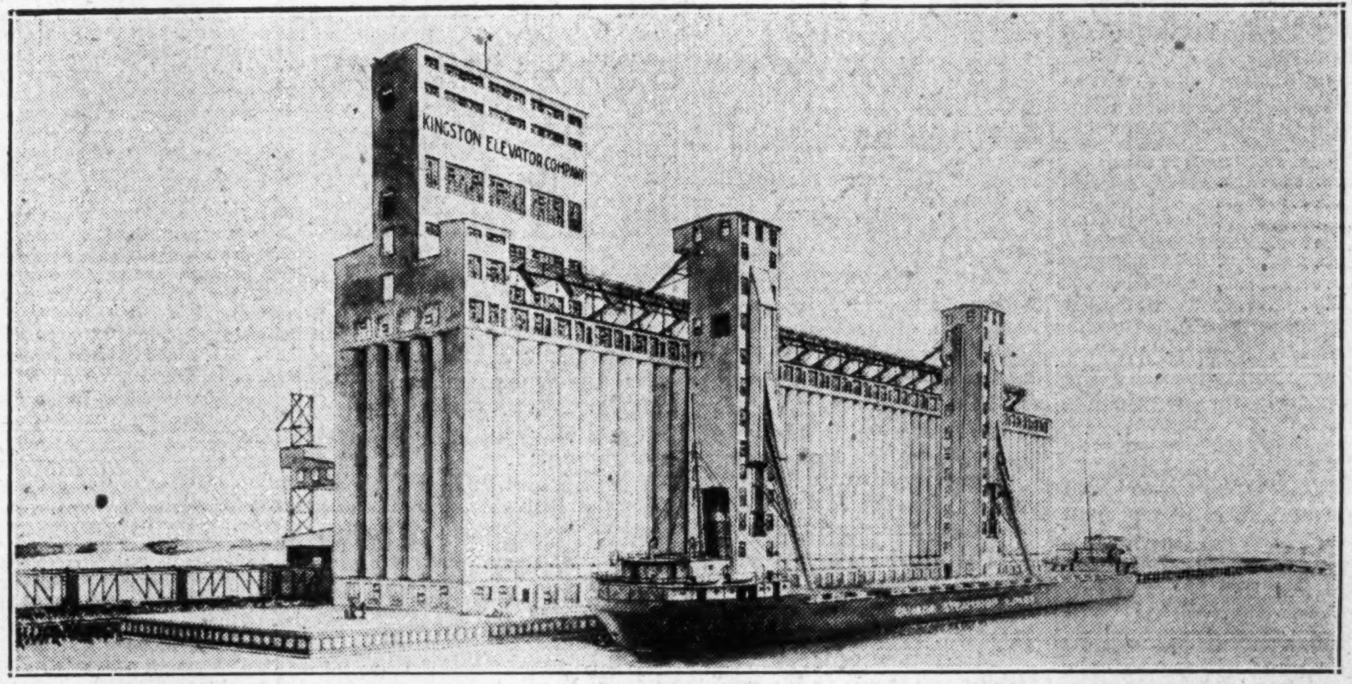
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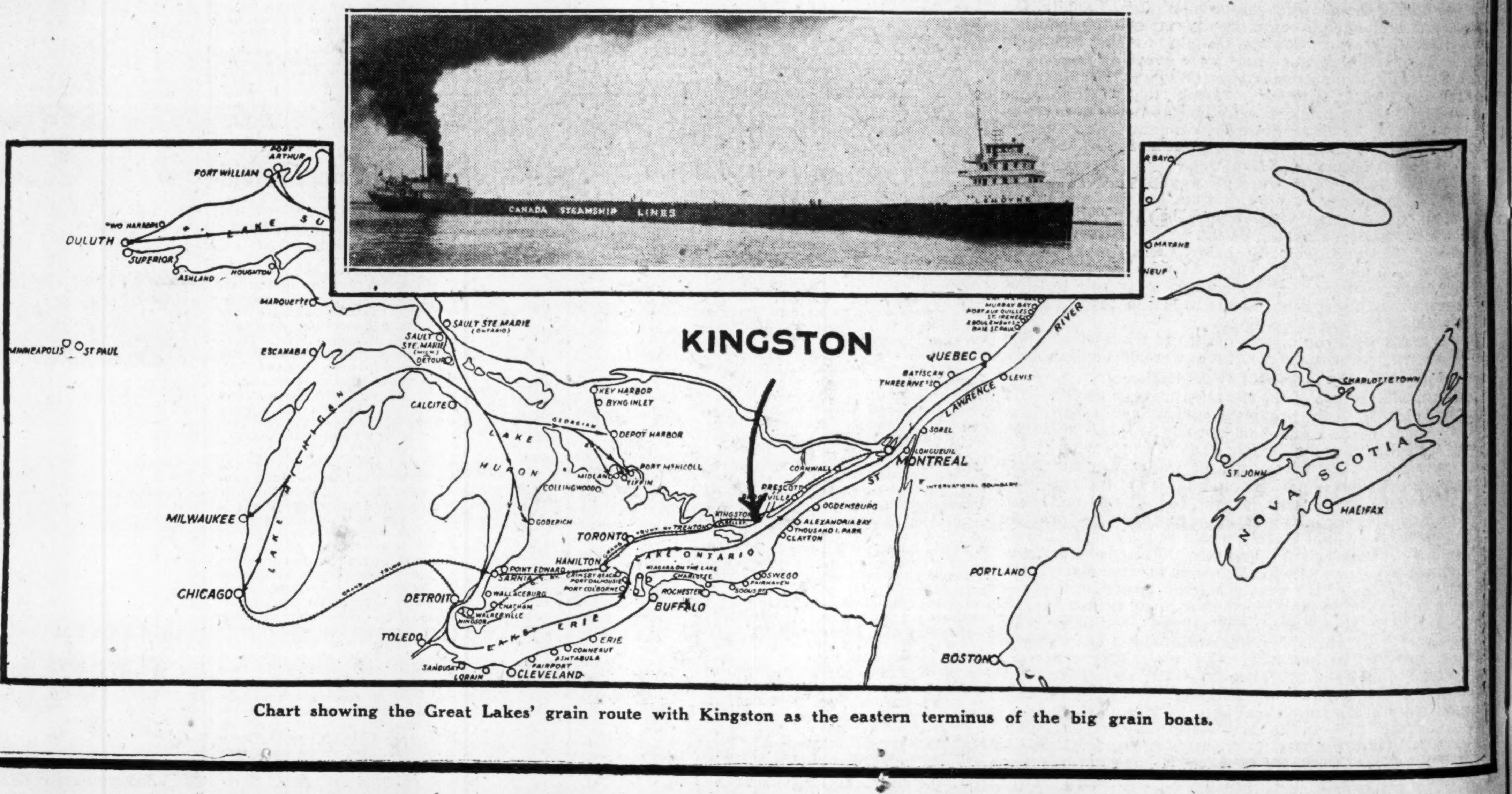
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DETOUR
CALCITE
LAKE MICHIGAN
MILWAUKEE
CHICAGO
LAKE HURON
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BOSTON

Chart showing the Great Lakes' grain route with Kingston as the eastern terminus of the big grain boats.

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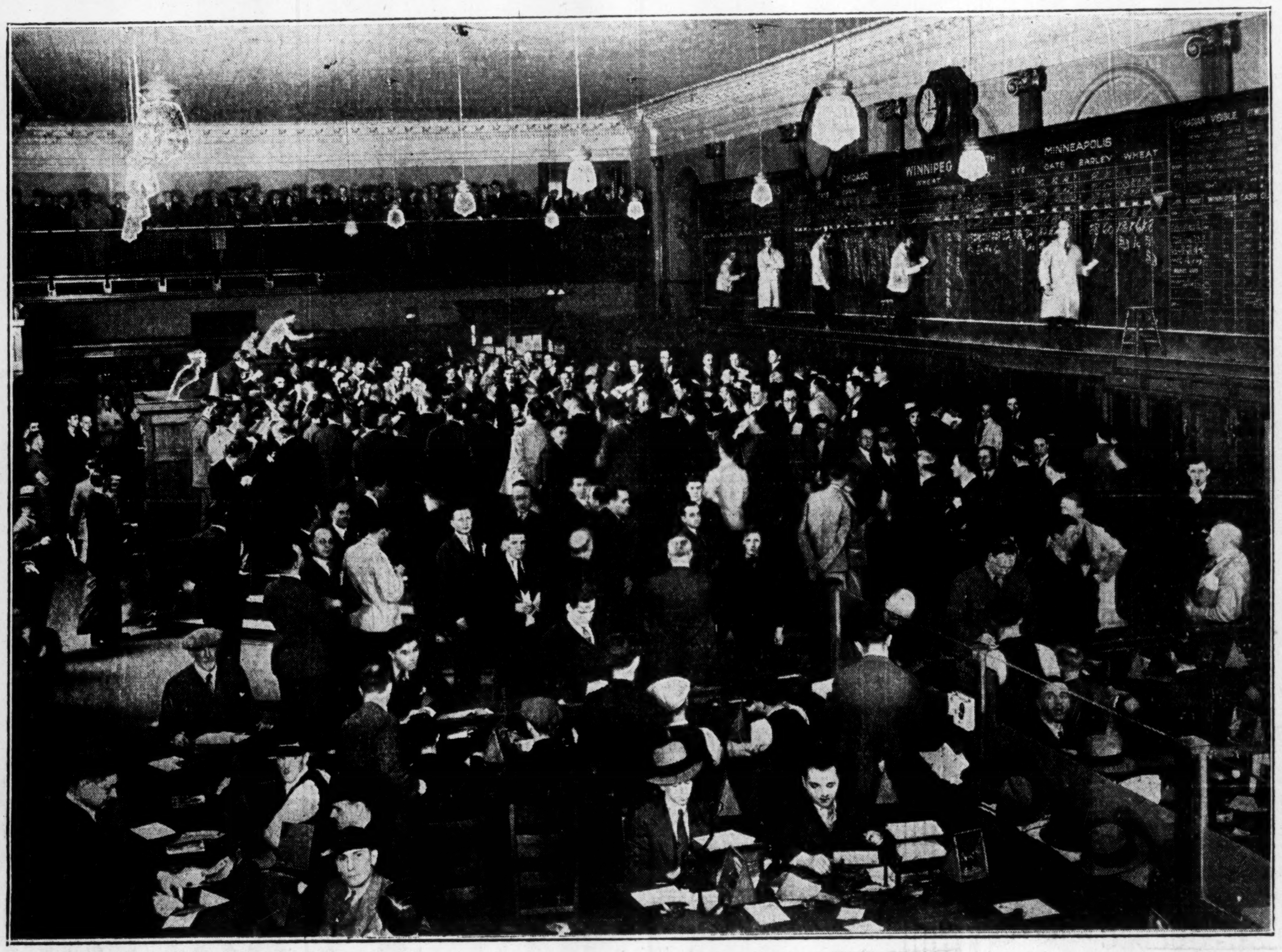
An International Grain Market



FOR many years the Winnipeg market has been recognized as one of the most important grain markets of the world.

The existence of the Winnipeg market provides for producers a market available at all times at every point in Western Canada on which they can sell for cash any quantity of grain. Its existence reduces to a minimum the margin for handling grain between producer and consumer, and also the cost and risk of financing the movement of Canada's grain crops to world markets.

This market has continuous contact with, and records the price fluctuations of, all the most important grain markets of the world. Buyers of grain from all the chief importing countries of the world, either as members of the Winnipeg Grain Exchange or through Canadian firms who act as their agents, are represented in the Winnipeg market, and make use of its facilities.

The existence of such an open market for grain and the service it renders in the disposal of Canada's grain crops are possible only because of the facilities provided by the Winnipeg Grain Exchange.

THE WINNIPEG GRAIN EXCHANGE